



# **Daily Report**

## **Annex**

P.18 PREX mission

# **East Asia**

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# East Asia ANNEX

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## ANNEX

1

## Japan

**Strategy for U.S. Technology Talks Revealed**

OW2807102193 Tokyo YOMIURI SHIMBUN in Japanese 27 Jul 93 Morning Edition p 6—FOR OFFICIAL USE ONLY

[Text] The Ministry of International Trade and Industry and the Agency of Industrial Science and Technology on 26 July revealed a plan to improve Japan's readiness for international cooperation on industrial technology. This action is based on a basic agreement between top Japanese and U.S. leaders to include worldwide technological cooperation as a major topic in the new Japan-U.S. economic talks.

The government offices intend to do so by making the most of a meeting of the Industrial Technology Council's International Research and Development Cooperation Division—its first meeting in 20 years—on 27 July as well as special meetings on industrial technology at the Asia-Pacific Economic Cooperation (APEC) Ministerial Conference in Shizuoka on 13 and 14 July. In these meetings, the offices want to take up the following topics: (1) preferential treatment for firms which promote international industrial cooperation; (2) protection of intellectual property rights; and (3) technological renovation without increasing unemployment.

The offices are also hoping to promote industrial cooperation between Japan and the United States by strengthening cooperative ties with the U.S. Department of Commerce and the U.S. National Institute of Standards and Technology (NIST).

**U.S. To Be Asked To Limit Asian Air Routes**

OW3107080693 Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 Jul 93 Morning Edition p 5—FOR OFFICIAL USE ONLY

[Text] The Ministry of Transport [MOT] intends to ask the United States at the Japan-U.S. aviation talks scheduled in Washington from 3 to 5 August to restrain its use of the "beyond right," which allows Japanese and American airlines to fly to third countries via each other's land. The Japan-U.S. aviation accord stipulates that the beyond right is an auxiliary right attached to the transport between Japan and the United States. However, Japan has judged that taking this as a vested right, American airlines have been excessively exercising this right in the operation of their Asian routes via Japan. At the aviation talks, discussions will be focused on such plans as setting the maximum number of passengers allowed for both new and existing extended air routes. The proposal is designed to restrict U.S. airlines from making aggressive moves in the promising Asian market and also to give indirect support to Japanese airlines to improve their operations. These airlines have been suffering from the worldwide recession that has hit the aviation industry.

The beyond right is taken as "the fifth aviation right" by the international community. However, the Japan-U.S. aviation accord concluded in 1952 stipulates that transport between the two nations should be "the first objective." Thus, Japan views "operations on extended routes as auxiliary to the transport between the two nations," (as stated by an MOT official).

Exercising the beyond right, American airlines have been operating 10 extended routes via Japan to such cities as Seoul, Taipei, and Sydney. The fact is that many passengers board many flights of these routes in Japan. The MOT has judged that the "transport of extended routes has become the first objective and the current situation has deviated from the bilateral accord."

Japan has tacitly permitted American airlines to exercise this right as a vested right until now. However, since U.S. airlines have indicated their aggressive advance into the promising Asian market by taking advantage of this right, it has been decided that the United States will be asked to refrain from such operations.

Regarding the restrained use of the beyond right, the MOT approved Northwest Airlines' (NWA) request to operate air routes connecting New York, Osaka, and Sydney in October 1991, but it imposed a condition that "the number of passengers and amount of cargoes taken for the Osaka-Sydney route must be limited to less than 50 percent of the total volume for the New York-Sydney route." So far, the MOT has insisted on imposing similar conditions on the new routes. However, the ministry plans to call for imposing the same restraint on the existing routes at the upcoming talks.

Since the United States has been demanding liberalization of aviation and it is expected to oppose the Japanese Government's proposal, rough sailing at the talks can also be expected. Moreover, since restrained use of the beyond right could lead to limiting the supply of flight seats, questions will probably be raised when consumers' interests are taken into consideration.

**GATT Head Wants Decision on Rice Tariffication**

OW0208082393 Tokyo ASAHI SHIMBUN in Japanese 30 Jul 93 Morning Edition p 12—FOR OFFICIAL USE ONLY

[Report by Katsuhiko Ninomura]

[Text] Geneva, 29 Jul—GATT Secretary General Peter Sutherland gave an interview to this ASAHI SHIMBUN reporter at GATT headquarters in Geneva on the evening of 28 July (the early morning of 29 July, Japanese standard time). In this interview, the secretary general stated that no success can be expected at the resumed Uruguay Round (GATT's new multilateral trade negotiations) without Japan's agreement to rice tariffication, and he stressed the "nonexceptional tariffication" that is included in the draft comprehensive accord (the Dunkel paper) as an important principle. He also disclosed his intention to visit Japan at an early date.



to hold talks with the new Japanese leaders selected following the general election.

In taking over the duties of Arthur Dunkel, who failed to bring a successful conclusion to the Uruguay Round talks, Sutherland was appointed GATT secretary general on 1 July.

Regarding the rice issue, the secretary general stated: "Japan's profits gained from the multilateral trade system should be greater than those gained by preventing the import of a small amount of rice." In this way, he asked Japanese leaders to make a decision on the issue.

Among opinions prevailing in Japan are: "Even if the rice market should be liberalized, the trade imbalance cannot be corrected. However, it seems that too much attention has been paid to the issue. The rice issue has been used as a pretext for criticizing Japan's trade surplus." Touching on this opinion, he stated: "Such a view is not acceptable because the rice issue is important." Moreover, rejecting the theory of food security [maintained by the Japanese Government, that food supplies must be ensured], Sutherland said: "If such an argument should come to prevail extensively, it will destroy the trade system. Therefore, it is not acceptable."

Secretary General Sutherland also disclosed his intention to visit Japan either in September or in October.

#### **Shinseito, Sakigake Ask Keidanren for Donations**

*OW2907084993 Tokyo MAINICHI SHIMBUN in Japanese 28 Jul 93 Morning Edition p 1—FOR OFFICIAL USE ONLY*

[Text] It was learned from concerned businessmen on 27 July that Shinseito [Japan Renewal Party] and Sakigake [Harbinger] have requested that the Federation of Economic Organizations of Japan [Keidanren] make political donations. Shinseito has asked for 3-4 billion yen, and Sakigake has asked for 200-300 million yen.

Having received the request for donations from the two parties, Keidanren is now studying whether businesses should continue to make such donations. The federation intends to consult with industries on whether to cooperate in making contributions while watching developments on the formation of a new government. It is likely these consultations will end in a decision to comply with the request.

Sakigake made a joint announcement of policies with the Japan New Party [JNP] on 23 July. In the announcement, the party declared it would "move to abolish businesses' political donations, replacing them with political campaign public funds." That being the case, Keidanren considers financial aid to the party to be a type of "congratulatory gift for its candidates' victory in the general elections." The JNP is also informally inquiring if Keidanren can provide financial support, although not indicating the amount of donations it seeks.

Keidanren will hold a meeting of its chairman and vice chairmen to deal with the request for political donations from Shinseito and Sakigake, as well as a request for 18 billion yen in special donations received from the Liberal Democratic Party prior to the recent general election. The federation will also discuss the matter with the heads of the Japan Association of Corporate Executives [Keizai Doyukai], the Japan Federation of Employers' Associations [Nikkeiren], and the Japan Chamber of Commerce and Industry. These business organizations are expected to eventually respond favorably to the new conservative parties' requests.

Regarding political donations, Tsutomu Hata, head of Shinseito, said: "We have not made a formal request to Keidanren. We would like to discuss the question of how political funds should be raised in the future, including whether parties should receive funds from businesses."

Meanwhile, a senior member of Sakigake said: "We received a bank loan under joint responsibility of 10 party Diet members before the general election. But there is absolutely no truth in the allegation we have asked Keidanren to make donations after the election."

#### **Keidanren Mulls Aiding Non-LDP Parties**

*OW3107031693 Tokyo YOMIURI SHIMBUN in Japanese 29 Jul 93 Morning Edition p 2—FOR OFFICIAL USE ONLY*

[Text] On 28 July, Gaishi Hiraiwa, chairman of Keidanren [Japan Federation of Economic Organizations], discussed how to distribute political donations in the event that the seven non-LDP [Liberal Democratic Party] parties form a coalition government. Hiraiwa said: "We will not discriminate against political parties that share our principles and ideas. But, we have no intention of including a party that espouses socialism (in the list of our political donations)." Thus, he disclosed that Keidanren has no intention of financially assisting the Social Democratic Party of Japan [SDPJ] even if it becomes part of a new administration.

With regard to Komeito, Keidanren observes that "because the party is supported by the Soka Gakkai [a large religious group], there is no need to support it in the financial field," (as stated by a source from within economic circles.) It is expected that Keidanren will study a review of distribution of political donations based on a plan to distribute political donations to the three new conservative parties—Shinseito [Japan Renewal Party], the Japan New Party, and Sakigake [Harbinger].

#### **Business Leaders Want Both Reform, Stability**

*OW0108184493 Tokyo YOMIURI SHIMBUN in Japanese 30 Jul 93 Morning Edition p 6—FOR OFFICIAL USE ONLY*

[Text] Following an accord on forming a coalition government reached between the eight-party non-Liberal Democratic Party [LDP] and non-Communist alliance



on 29 July, leaders of the economic organizations have made comments indicating strong expectations that the upcoming change in administration "will become the first step toward forming the future system of two major conservative political parties," (as stated by Gaishi Hiraiwa, chairman of the Federation of Economic Organizations of Japan.) However, concerning the new administration's policy management, business leaders call for both "stability" by carrying on the current line of the LDP government and also for bold "reform" by breaking through the collusion among politicians, government officials, and business circles formed under one-party control. From their remarks, it can be noted that business circles share common feelings mixed with both apprehension and expectations in greeting a historical shift unprecedented in post-war history.

Concerning the fact that Morihiro Hosokawa, head of the Japan New Party [JNP], has surfaced as the most powerful candidate for the premiership, business leaders have expressed their expectations for his abilities. Hosokawa is spoken of highly because of his "ability to build the JNP into such a power within such a short period of time," (as stated by Rokuro Ishikawa, chairman of the Japan Chamber of Commerce and Industry), and also for his "fresh personality and excellent political sense," (as stated by Masaru Hayami, chairman of the Japan Association of Corporate Executives).

Moreover, concerning the accord reached by the eight-party alliance, President Takeshi Nagano of the Japan Federation of Employers' Association, appraised it and said "it would be the first step toward the age of two major conservative political parties." He added: "With regard to basic policies, it will be instrumental in eliminating apprehensions both at home and abroad if the lines pursued by the current administration are continued for some time to come." He requested strong efforts to achieve reform and said: "Positive and resolute efforts should be made to tackle the issue in correcting the distorted society and economy that have resulted from the fact that the 1995 order [under the LDP] had continued too long." As for the new cabinet, Nagano stated that "it would be desirable to form a fresh cabinet even by recruiting cabinet members from the private sector."

On the other hand, since the Social Democratic Party of Japan, which strongly opposes nuclear power stations, now forms a part of the alliance, a source in industrial circles has indicated his hope that "the energy policy will be continued and maintained in a stable way," (Kohei Abe, president of the Federation of Electric Power Companies.)

However, many top business leaders have remained silent. For example, one said: "No comments could be made because nothing had been decided officially," (according to top leaders of the security, iron, and steel business circles.) Another said: "Since political issues are very delicate, I would like to refrain from making any

comments at this stage," (stated by a top leader of the department store circle.) They have decided to keep silent perhaps because of fear of possible "retaliation" by the LDP in the future.

#### \* SHUKAN ASAHI Rates Antireform Politicians

932B0162A Tokyo SHUKAN ASAHI in Japanese 2 Jul 93 pp 29-31—FOR OFFICIAL USE ONLY

[Article by Kazutomi Yamaguchi and Keiko Hamada: "Assignment of Idiot Ratings to Politicians for Aborting Political Reform"]

[Text] General Public Boos Government Into Lower House Dissolution

Forty years ago, then-Prime Minister Shigeru Yoshida shouted: "Bakayaro! [Idiot!]" in the Diet chambers and the opposition party submitted a no-confidence motion. A segment of the Liberal Party, controlling the government, seceded from the party and voted in favor of the no-confidence motion, resulting in the ultimate dissolution of the lower house.

This came to be known as the "bakayaro dissolution."

Even today, there is no change in the fact that the Diet is an assemblage of idiots.

It is difficult to fathom whether they favored a "simple small electoral district system" or a "combined small electoral district-proportional representation system," but in any event, both ruling and opposition parties had insisted that they would implement "political reform." However, efforts of the few reformers were aborted as the lower house was forced into dissolution.

Prior to the dissolution, 107 hours of Diet deliberations were consumed in debating the reform issue. One wonders about the immense waste in energy resulting from the failure of political reform to materialize and believes there is a necessity to clarify who is responsible.

In this connection, the editorial staff of this magazine formed a "Committee To Assign Idiot Ratings to Politicians for Aborting Political Reform," and arbitrarily assigned ratings to each nominee. We would like the general public to use these ratings as a point of reference in casting their votes during the coming general election.

First, this committee determined that the Liberal Democratic Party [LDP] is primarily responsible for the "miscarriage of political reform." The reason is that, although the opposition made some concessions, the LDP failed to compromise at all.

According to rumors, one individual responsible for the situation was Chairman of the Executive Council Koko Sato of the Hokkaido third electoral district.

Despite having been found guilty in the Lockheed scandal trials, Mr. Sato insisted that, "Even if it takes



two or three years, we should implement political reform in a way that will withstand the criticism of future generations."

He erected barriers to a compromise leading to political reform by making such impressive-sounding statements. In essence, it was simply a case where he opposed the idea of political reform. Accordingly, based on the "misdeed of frustrating attempts at compromise," we assigned him an idiot rating of 92 under a system with a perfect score of 100.

Another prime nominee with an outgoing personality is said to be LDP Secretary General Seiroku Kajiyama of the Ibaragi Prefecture second electoral district.

At first he was in favor of the move and was told by Prime Minister Miyazawa: "We should prepare the best possible plan for reform and take some sort of action," but in the end, he did nothing. Even when young Diet members favoring reform asked for the opening of a joint lower and upper house session of the Diet, he rejected the idea.

The general public views the situation as one in which "Kajiyama detests Ichiro Ozawa so much that as long as Ozawa can be set aside, it really doesn't matter what else happens."

Makoto Sataka, a caustic commentator, said: "Mr. Kajiyama's favorite dish is kusaya [salted, dried horse mackerel] and in high-class Japanese-style restaurants he is supposedly known as Kusaya Seiroku. It really doesn't matter if he contaminates a restaurant with the stench of his favorite dish, but we object to any action taken by him that would undermine the LDP or Japan itself." Accordingly, for the "misdeed of spreading obnoxious odors," we assign an idiot rating of 88.

We could see a glimpse of the backstage manipulations being conducted behind Sato and Kajiyama in the form of two former prime ministers, i.e., Yasuhiro Nakasone of the third electoral district of Gumma Prefecture and Noboru Takeshita of the single electoral district of Shimane Prefecture.

Of special note is that Mr. Nakasone said: "An action that we must take with highest priority is the elimination of corruption. We should give priority to establishment of measures to prevent corruption over any reform of the electoral system," and assumed a position to obstruct political reform. What is ironic here is that his statement is correct. It is really amazing that he has the temerity to make such a statement considering the fact that his name is mentioned in connection with every political scandal. Mr. Sataka comments: "The main purpose of election reform is to prevent the candidacy of such individuals."

Mr. Nakasone has also said: "If the small electoral district system is instituted, there is the risk of dictatorship arising on the part of the LDP executive." However, seeing that he had difficulties during the last election, if the system were to convert to a small electoral district

system, he would be forced to retire or face the strong possibility of pursuing another career. Thus, it is very obvious that he is making every effort to preserve the current medium electoral district system. That is why he has directed his protege, Chairman of the LDP Executive Council Sato, to frustrate any attempt at political reform. Accordingly, on the basis of his "misdeeds as the political mastermind," we assign him an idiot rating of 95!

Now, if we were to label the foregoing four individuals as the "stubborn, troublesome conservative four," their executive team can be labeled as the "NYKK" team, including Minister of Construction Kishiro Nakamura of the Ibaragi third electoral district and a member of the Obuchi faction; former Minister of Construction Taku Yamazaki of the Fukuoka first electoral district and a member of the Watanabe faction; Deputy LDP Secretary General Koichi Kato of the Yamagata second electoral district and a member of the Miyazawa faction; and Minister of Posts and Telecommunications Junichiro Koizumi of the Kanagawa second electoral district and a member of the Mitsuzuka faction.

#### LDP Rebel List

	Electoral District	Times Elected
39 Voting for No-Confidence Motion		
Hata Faction		
Keiwa Okuda	Ishikawa 1	8
Ichiro Ozawa	Iwate 2	8
Megumu Sato	Osaka 6	8
Moriyoshi Sato	Hiroshima 3	8
Tsutomu Hata	Nagano 2	8
Kozo Watanabe	Fukushima 2	8
Koichiro Aino	Saga	7
Hajime Ishii	Hyogo 1	7
Kazuo Aichi	Miyagi 1	6
Mamoru Nakajima	Nagano 3	5
Keisuke Nakanishi	Wakayama 1	5
Eijiro Hata	Oita 1	5
Hajime Funada	Tochigi 1	5
Hiroshi Kumagai	Shizuoka 3	3
Toshihiro Nikai	Wakayama 2	3
Toshinobu Awaya	Hiroshima 1	2
Kiichi Inoue	Hyogo 3	2
Hirohide Uozumi	Kumamoto 1	2
Masayuki Okajima	Chiba 1	2
Naoto Kitamura	Hokkaido 5	2
Masahiro Koga	Fukuoka 3	2
Norio Sugiyama	Shizuoka 2	2
Ichiro Takahashi	Tokyo 4	2
Masaharu Nakamura	Okinawa	2



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Iwao Matsuda	Gifu 1	2
Jin Murai	Nagano 4	2
Sadao Ioku	Chiba 4	1
Katsuya Okada	Mie 1	1
Tokunosuke Kaneko	Fukushima 1	1
Hirohisa Fujii	Kanagawa 3	1
Yukio Hoshino	Niigata 3	1
Toshio Masuda	Saitama 3	1
Akira Matsuura	Hokkaido 1	1
<b>Watanabe Faction</b>		
Toshio Yamaguchi	Saitama 2	9
Seipachi Oishi	Shizuoka 1	7
Shigeru Ishiba	Tottori	2
Takashi Sasagawa	Gumma 2	2
<b>Komoto Faction</b>		
Susumu Yanase	Tochigi 1	1
<b>16 Absent for No-Confidence Vote</b>		
<b>Hata Faction</b>		
Morio Kimura	Aomori 2	3
<b>Watanabe Faction</b>		
Akira Mitsutake	Nagasaki 2	1
Kenji Kosaka	Nagano 1	1
Shunichi Yamaguchi	Tokushima	1
<b>Komoto Faction</b>		
Norihiko Akagi	Ibaragi 3	1
Hiroshi Imazu	Hokkaido 2	1
Tadashi Maeda	Osaka 2	1
Yuji Yamamoto	Kochi	1
Noriaki Watase	Kumamoto 2	1
<b>Miyazawa Faction</b>		
Takeshi Iwaya	Oita 2	1
<b>Obuchi Faction</b>		
Kunio Hatoyama	Tokyo 8	5
<b>Kato Group</b>		
Mutsuki Kato	Okayama 2	9
Akira Fukida	Yamaguchi 2	5
Issei Koga	Fukuoka 3	1
<b>Nonfactional</b>		
Tatsuo Ozawa	Niigata 1	11
Takeo Nishioka	Nagasaki 1	9
<b>10 Seceders From LDP</b>		
<b>Mitsuzuka Faction</b>		
Masayoshi Take-mura	Shiga	2

Hiroyuki Sonoda	Kumamoto 2	2
Kisaburo Watami	Hyogo 3	2
Kenichiro Sato	Kanagawa 4	1
<b>Obuchi Faction</b>		
Yukio Hatoyama	Hokkaido 4	2
Asahiko Mihara	Fukuoka 2	2
<b>Miyazawa Faction</b>		
Shusei Tanaka	Nagano 1	2
Takeshi Iwaya	Oita 2	1
<b>Komoto Faction</b>		
Shoichi Ide	Nagano 2	2
Susumu Yanase	Tochigi 1	1

Notes: 1. Members absent owing to illness not included.  
2. Resignations from LDP were as of 21 June.  
3. Takeshi Iwaya and Susumu Yanase are listed twice.

**NYKK Team Is Confirmed as Guilty of Frustrating Political Reform**

The NYKK team was formed in the fall of last year in opposition to former LDP Secretary General Ozawa. The team is referred to as the "anti-Ozawa encirclement net" and is composed of executive members of the major factions, exclusive of the Hata faction.

Despite discussions on election system reforms, the team suddenly presented the topic of "public election of the prime minister" and made such statements as "we can't even reach agreement within the LDP on a small electoral district system. Instead of pushing an idea which is not feasible, we would be in tune with the majority if we were to push a prime minister's public election system which faces little objection among opposition parties." Thus, you might refer to the team as being confirmed guilty in terms of opposing political reform.

Among them, Mr. Kato is highly responsible for conferring with stubborn, troublesome conservative factions and frustrating reform efforts, while being one of the closest confidants of Prime Minister Miyazawa.

Mr. Minoru Morita, political commentator, goes as far as to say: "Mr. Kato would under normal circumstances act in response to the prime minister's wishes and exercise his influence in support of political reform, but because of a personal grudge, he failed to perform in that role. He's like the man known as Mitsuhide Akechi [vassal of Nobunaga Oda, who assassinated Oda in January 1582 during the age of civil strife]."

He was supposedly upset because during the cabinet reshuffle which took place at the end of last year, Mr Miyazawa replaced Mr. Kato with Mr. Yohei Kono as chief cabinet secretary. Based on his "misdeed of

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betrayal" predicated on a personal grudge, Mr. Kato is assigned an idiot rating of 99.

There were many politicians who were vacillating in utter confusion between the conservatives and the reformists.

Chairman of the Policy Affairs Research Council Hiroshi Mitsuzuka of the Miyagi first electoral district stood before the grave of the late Shintaro Abe and pretended to be a crusader of reform when he said "we must ensure the implementation of political reform," but when it became difficult to negotiate a consensus within the party and once he concluded that passage of the law would be difficult, he reversed his position, saying, "we cannot charge the prime minister for failure of the law to pass," demonstrating that he was a typical opportunist. Chairman Keizo Obuchi of the Obuchi faction from the Gumma third electoral district was constrained by LDP resolutions when he defied the practicality of what he said in making the comment: "I believe the plan put forth by our party is the best, but if there are any better ideas we would like to adopt such ideas and mobilize our mental resources in negotiating the ideas into law." Accordingly, based on the "misdeeds of these two individuals typifying opportunism," we assign them both an idiot rating of 65.

Now, finally, we come to Prime Minister Kiichi Miyazawa of the Hiroshima third electoral district. Frankly, it was impossible to determine whether he was for or against political reform from the very beginning.

He did not hesitate to make frequent displays of his resolve to take action, but in reality, his attitude reflected total delegation of responsibility to Sato and Kajiyama and appeared to lack any personal involvement in the issue. Or, perhaps, he had a feeling that he would triumph in the end that could be best expressed in the words: "No matter how difficult and overwhelming the situation may become, the idea is not to lose faith for I will triumph in the end."

Although coordination on political reform had reached the final stage, it is said that Miyazawa had isolated himself in his office and had dedicated himself to reviewing material prepared for the upcoming Tokyo summit of the G-7 Nations. That being the case, Mr. Miyazawa is the biggest of the idiots. Accordingly, for the "misdeed of treating political reform as if it were someone else's business," Mr. Miyazawa is assigned an idiot rating of 150!!

However, in a sense, even we voters who previously cast our votes in a way which created a prime minister of this low caliber must assume responsibility and consider ourselves terrible idiots. We can avoid the preservation of the status quo only by participating in the general election with a resolve to exercise our wisdom.

### Sakigake Head Interviewed on Coalition Regime

OW0208103193 Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Jul 93 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Interview with Masayoshi Takemura, representative of Sakigake (Harbinger Party), by unidentified correspondent; date, place not given; from the "Rebuilding of the Current Political Party Structure—1993 Political Situation" column]

[Text] [Correspondent] Do I understand that seven opposition parties have firmed up the framework for a new government?

Takemura: The framework for a new government has yet to be firmed up. Today, Mr. Mutsuki Kato broke away from the ruling Liberal Democratic Party [LDP]. Politics is always moving.

[Correspondent] Would you describe the role and character of the new government?

Takemura: Political reforms that we have advocated will be the basis of the new government. The people have so far thought that politicians have been less than enthusiastic about carrying out the political reforms. The most important task to be accomplished by the Diet is to initiate the political reforms within this year. I do not mean that the new government should only deliver the political reforms. The new government should fulfill its responsibility on day-to-day problems.

[Correspondent] Will your party never form a coalition government with the LDP under any circumstances?

Takemura: Our party's choice is to form a coalition government with either seven anti-LDP political parties or the LDP. It is desirable to deliver political reforms through a broad-ranging agreement between the ruling and opposition parties. Our party will talk seriously with the LDP because it is a big political force even if it is out of power. If the LDP comes close to sharing our policies, then we would be in step with the LDP. It is up to the LDP. It is the basis of our party's policy not to set any framework for an alliance with both the LDP and anti-LDP parties. The issue of which party takes power has come to the point at which both our party and the LDP cannot resolve it. If other five parties refuse to form a coalition government with the LDP, it would be difficult for our party to forge any alliance with the LDP.

[Correspondent] How will the seven political parties discuss appointments in the new government?

Takemura: Secretaries general and other responsible officials from the seven political parties will discuss the appointments. It will take a little more time before a final decision is made on the appointments.

[Correspondent] Will the seven political parties name a candidate for the non-LDP unified prime minister? In that case, who will be the candidate?





# ***Daily Report***

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VII



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## Japan

### Agreement Reached With U.S. in Semiconductor Talks

OW0308130993 Tokyo KYODO in English 1241 GMT  
3 Aug 93

[Text] Kyoto, Aug. 3 KYODO—Japan and the United States ended two days of talks about semiconductor trade on Tuesday, agreeing to continue efforts to boost the foreign share of Japan's chip market. Japanese and U.S. trade and industry officials also agreed on the need to widen foreign access to Japan's chip market through technological cooperation and joint research and development, a Japanese Trade Ministry official said.

On the second day of consultations, a U.S. delegate cited earlier remarks by U.S. Trade Representative Mickey Kantor that the foreign share should average 20 percent for 1993 as Washington put it at 19.6 percent for the first quarter of this year. But the Japanese side calculated the figure at 21.5 percent for the same quarter and pointed out that it was significant the share stayed above the 20 percent mark when the economy is sluggish. U.S. figures do not include chips produced in Japan by foreign companies.

Under a 1991 agreement, the U.S. called on Japan to open up 20 percent of its chip market to foreign suppliers by the end of 1992. Washington has said the 20 percent level was a Japanese commitment, but Tokyo says it was just a target.

Trade officials involved in the two-day talks in Kyoto also agreed to work together to ensure stable supply of epoxy resin used in semiconductor chips. This follows an explosion last month at Japan's largest epoxy resin plant. The blast was a major blow to world semiconductor makers because it cut nearly 50 percent of epoxy resin supplies of Sumitomo Chemical Co., the world's largest epoxy resin maker. It has a 50 percent share of the world market.

### Government Opens GATT Talks With PRC

OW0308104793 Tokyo KYODO in English 0848 GMT  
3 Aug 93

[Text] Tokyo, Aug. 3 KYODO—Japan and China opened talks in Tokyo on Tuesday to prepare for Beijing's membership of the General Agreement on Tariffs and Trade (GATT), government officials said. China is required to complete bilateral arrangements on tariffs with two nations or more to qualify for the membership, they said. Japan will be the second nation with which China will negotiate a bilateral agreement, following Canada.

China applied for GATT membership in July 1986 but its admission has been delayed due to opposition from the United States over the human rights issue and growing imports of low-priced textiles from China, the officials said.

During two days of negotiations, China will explain its domestic systems concerning foreign trade, pricing, and national enterprises, the officials said. They said Japan and China will soon engage in full-scale negotiations over tariffs based on the outcome of the current preparatory talks.

### Finance Minister Downplays Currency Turmoil

OW0308023293 Tokyo KYODO in English 0226 GMT  
3 Aug 93

[Text] Tokyo, Aug. 3 KYODO—Finance Minister Yoshiro Hayashi said Tuesday the yen's latest jump against the dollar is an inevitable result of volatility in European currencies and expects things to calm after exchange rate mechanism adjustments. Hayashi, speaking at a regular press conference after the morning cabinet meeting, ruled out speculation the yen may continue surging even if the situation stabilizes in Europe. The finance minister said the yen advanced against the dollar overnight in New York on repurchasing of the German mark for the U.S. currency. Describing the volatility as "highly psychological movement," Hayashi said the Group of Seven economic powers will take necessary measures to stabilize the market. The yen is being traded around the historically high level of 104 to the dollar in Tokyo.

### EPA Head: High Yen Hurts Recovery

OW0308032093 Tokyo KYODO in English 0310 GMT  
3 Aug 93

[Text] Tokyo, Aug. 3 KYODO—The head of the Economic Planning Agency (EPA) said Tuesday the yen's surge against the U.S. dollar is attributable to the instability of exchange rates among major European currencies. Osamu Takatori, EPA director general, said he hopes the major nations concerned will take part in adjustment of currency movements as such a sharp rise in the yen's value has a bad effect on the world economy as well as on the recovery of Japan's economy. Takatori made the remarks at a news conference after a regular cabinet meeting. The yen was being traded around a historic high of 104 to the dollar in Tokyo on Tuesday morning.

### SDJP's Doi Agrees To Run for House Speaker Post

OW0308131193 Tokyo NHK General Television  
Network in Japanese 1030 GMT 3 Aug 93

[Excerpt of news conference held by Takako Doi, former chairperson of the Social Democratic Party of Japan (SDPJ); from the "NHK News 7" program—live]

[Text] [Doi is seen sitting at a table next to SDPJ Chairman Yamahana in front of newsmen at an unidentified location] [Unidentified correspondent] Can you



explain why you have accepted the request to become the House speaker and why you have been reticent to give your answer?

[Doi] I did not withhold my answer to the request. I have been refusing it. Mr. Yamahana repeatedly asked me to run for the post, but I have been refusing it. The reason is that, as you know, I am a member of parliament as well as a former chairperson of the SDPJ. Therefore, I have a vested interest in the future of the SDPJ, whether the party will be able to show its real ability in the new government. It is a very important moment for us, and we need to exercise our leadership in Japanese politics. The lower house speaker has a responsibility to exert all his or her powers to conduct the lower house fairly. Knowing the responsibilities pertaining to the House speaker's task, I just did not feel like accepting the request. There is a second reason.

The second reason is that I personally think selection of the lower house speaker is different from the selection of cabinet ministers. From the viewpoint of division of the three powers, I believe the parliament should be independent. There are lower and upper houses in the Diet. I believed that the lower house speaker should be selected from the largest party in the lower house. From these points of view, I strongly felt that I just could not accept the request. Therefore, I have been strongly refusing it.

You may ask why I finally agreed. There are many aspects to political reform. I think it is very important to revitalize the Diet, the lower house. We must re-energize it. This is very important.

Since the foundation of democracy is being reduced to a shell in this country, the lower house must go back to the starting point of democracy and abide by the system. I consider this to be very important for Japan today. I remember how excited I was when I learned about democracy for the first time, and I want younger people to reconsider how their democracy should be. In this connection, the procedures and practices of the lower house are supposed to take into account the basic concept of democracy so the activities of the House become clear to the public. I strongly feel this must be the basis of political reform.

I am not quite sure what I can do to lead the House to the goal; however, now that I have decided to assume this duty, I will do my best. As a matter of course, as the top official of the legislative branch I will deal with my duties, attaching the most importance to safeguarding the Constitution. Needless to say, I will place emphasis on elimination of political corruption, because that is my campaign pledge.

Moreover, I have long worked on the issue of Japan's postwar compensation as the leader of the party's internal committee. I would like to bring the compensation issue to the Diet to promote exchange with national assemblies in neighboring nations in Asia. I have heard that Mr. Hata of Shinseito is calling for a Lower House

resolution to accelerate the settlement of the issue, and I would like to take tangible actions in the lower house. These are the main reasons for my decision to accept the nomination. [Live coverage ends with the news conference still in progress.]

### Doi Profiled

*OW0308132893 Tokyo KYODO in English 1237 GMT  
3 Aug 93*

[Text] Tokyo, Aug. 3 KYODO—Former Social Democratic Party [SDP] of Japan Chairwoman Takako Doi, who agreed to be a candidate for speaker of the House of Representatives, declared it her mission in 1986 to fight Japan's money-dominated politics and defend the Constitution from liberal interpretation. She took the top party post in 1986 as the first Japanese woman to head a political party and served in the post until 1991. Doi, 64, former lecturer on constitutional law at Doshisha University in Kyoto, has repeatedly vowed to defend the Constitution from loose interpretation.

Despite her decision to run as the speaker of the powerful lower house under a seven-party coalition, she has repeatedly expressed concern about the current SDP leadership's moves to join forces with conservative opposition parties, saying their ideology and policies on such key issues as defense and foreign policies differ from those of the SDP. On July 30, she told a meeting of SDP leaders and legislators, "all SDP members are now concerned that the *raison d'être* of our party may be completely eroded (if we join the seven-party coalition)."

On a 1990 LDP [Liberal Democratic Party] proposal to send troops overseas to join U.N. peacekeeping missions, Doi took the opposite stand from that of then Liberal Democratic Party strongman Ichiro Ozawa, now co-leader of Shinseito [Japan Renewal Party] which is part of the seven-party coalition that includes the SDP. During Diet debate over the dispatch of Self-Defense Forces planes to the Persian Gulf in 1990 to evacuate refugees following the Iraqi invasion of Kuwait, Doi urged the government to give up the plan, saying such an action would constitute a breach of the Constitution which bans overseas military deployment. Only four days before the January 1991 start of aerial bombardment by the U.S.-led multilateral forces, Doi flew to Baghdad to urge Iraqi President Saddam Husayn to withdraw from Kuwait.

A graduate of Doshisha University, Doi was first elected to the lower chamber of the Diet in 1969. She soon became a strong critic of the LDP's cozy ties with business. In 1973, she became a member of the Foreign Affairs Committee of the lower house and criticized the Defense Agency for telling the Diet that the Constitution allows Japan to obtain tactical nuclear weapons.

In 1986, when the SDP was reeling from an electoral setback after double elections of both chambers of the Diet were held, Doi was chosen to lead the party by SDP elders who were desperately trying to revive the party's



popularity. At the time of her ascent to the top post of the largest opposition party, critics labeled her a mere figurehead similar to "a giant panda bought by an unpopular zoo to draw visitors." However, she proved to be more than a "giant panda" for reviving the SDP's popularity. In a 1989 House of Councillors election, she dealt a heavy blow to the LDP, transforming the upper house into an opposition-dominated house.

Doi engineered the so-called "Madonna gush," in which 11 female SDP legislators were swept to the upper house supposedly on the strength of female voters' anger over a sex scandal involving then Prime Minister Sosuke Uno. Doi's party also effectively rode over a wave of public outrage over the introduction of a consumption tax and the 1988-89 Recruit [Company] influence-peddling scandal that forced the resignation of then Prime Minister Noboru Takeshita.

In March 1991, Doi visited Nagasaki to voice support for Mayor Hitoshi Motoshima, who had narrowly escaped death after being shot in the chest by a rightist who took offense to his comment that Emperor Showa bore partial responsibility for Japan's role in the World War II. "It is absolutely unacceptable for someone to try to suppress free speech with violence," Doi said.

One month later, Doi came under severe intra-party pressure to resign to take responsibility for a crippling electoral setback of the party in nationwide prefectural and city assembly elections. On June 21 of that year, Doi tendered resignation to party elders, opening the way for her successor Makoto Tanabe. Though the SDP suffered a severe setback in the July 18 general election this year, Doi was elected to the lower chamber for the ninth time as the top vote-getter with 220,972 votes in the No. 2 constituency in Hyogo Prefecture, outnumbering that of her runner-up Japan New Party candidate, Yuriko Koike, by 80,000 votes.

Asked by reporters about her motto in life, she said, "I pray for the emergence of people whose conscience occupies their entire being"—a famous quote by the founder of her alma mater, Jo Nijima. Doi is a Christian and has never been married. She is noted for a now famous incident during her elementary school days when she stood up for a female classmate who was being bullied by a boy and tackled him.

**Coalition, LDP in Separate Talks on Diet Session**  
*OW0308105893 Tokyo KYODO in English 0925 GMT*  
3 Aug 93

[Text] Tokyo, Aug. 3 KYODO—Morihiro Hosokawa will not deliver a policy speech at a mandatory special Diet session to be convened once he is named prime minister despite demands he do so by the Liberal Democratic Party [LDP], opposition party officials said Tuesday. Representatives of seven opposition parties reached accord in a meeting, the officials said. Hosokawa heads the Japan New Party (JNP), which leads an alliance of the seven parties that look set to

wrest power after 38 years of LDP government. The representatives also agreed Tuesday that the term of the mandatory special Diet session be 10 days from Thursday, the officials said.

Meanwhile, the LDP decided in a meeting of executives that the term of the Diet session be about 20 days, party officials said. The LDP also plans to demand that Hosokawa deliver a policy speech during the Diet session and that debates at the budget committee be held, they said.

The seven parties intend to end the special Diet session after deciding members of committees in both Diet houses. The non-LDP alliance plans to call an extraordinary Diet session in September to discuss political and electoral reform. Hosokawa is a virtual shoo-in for prime minister since the combined strength of his alliance surpasses that of the LDP.

The government decided Monday to convene the Diet session on Thursday to name a new prime minister to replace Kiichi Miyazawa. The parliamentary election to choose a prime minister is expected to take place on the first day of the Diet session.

Hosokawa suggested Tuesday that the formation of his cabinet may be delayed to after Friday. He spoke to reporters after meeting Masayoshi Takemura, leader of Sakigake (Harbinger), a parliamentary ally. Hosokawa's aides said he wants the process of forming his cabinet to be open to the people and he intends to discuss his choice of members with leaders of the seven parties after he is elected prime minister. Last week, the seven parties—the Social Democratic Party (SDP) of Japan, Shinseito (Japan Renewal Party), Komeito, JNP, the Democratic Socialist Party, Sakigake and the United Social Democratic Party—agreed to form a non-LDP, noncommunist coalition government and to field Hosokawa as their candidate for prime minister.

SDP Secretary General Hirotaka Akamatsu told reporters his party will decide on its candidate for speaker of the House of Representatives by Wednesday. The seven parties have agreed that the position will be taken by someone within the SDP. The LDP formerly held the post. The SDP is hoping to persuade former Chairwoman Takako Doi to accept. The seven parties also agreed that if speaker comes from the SDP, they [will] allow the LDP to hold the post of vice speaker and a Shinseito legislator will be chairman of the Steering Committee of the House of Representatives, party officials said.

**Miyazawa Assesses Performance as Premier**

*OW0308121293 Tokyo KYODO in English 1138 GMT*  
3 Aug 93

[Text] Tokyo, Aug. 3 KYODO—With one day remaining before he leaves the pinnacle of Japanese politics, Prime Minister Kiichi Miyazawa said Tuesday



he has dealt relatively well with international challenges but not necessarily with key domestic issues.

At a party to bid farewell to reporters covering the prime minister's official residence and the Diet, Miyazawa, 73, said ties between Japan and the United States would be worse had it not been for a bilateral trade framework agreement reached in July. He also said Emperor Akihito's official visit to China last October is significant in light of the bilateral relations between Tokyo and Beijing and hoped a planned visit to Japan by Russian President Boris Yeltsin will have similar importance. The caretaker prime minister also said he believes Japan's ties with nations in Southeast Asia "are basically on the right track" partly because while in office he made three trips to some of the countries.

But Miyazawa conceded he had a hard time shepherding the country in the direction of participation in United Nations peacekeeping activities abroad. He said the loss of two Japanese lives in Cambodia was the most deplorable event in the course of his efforts to have Japan step up its international contributions. "I remember that I felt extremely lonely" after he heard the news about the slaying of Japanese civilian police officer Haruyuki Takata in Cambodia in May, Miyazawa said. Takata's death followed the killing in April of Japanese UN volunteer Atsuhito Nakata. But the prime minister hastened to add Japan's participation in U.N. peacekeeping mission in Cambodia "should be remembered as one of Tokyo's international contributions in the post-cold war era. Despite the loss of lives, we could contribute to reconstructing the country and our effort was internationally recognized," Miyazawa said.

He said that as far as diplomatic issues are concerned, the baton can be passed to the next government expected to be formed Thursday or Friday by a seven-party coalition excluding his long-ruling Liberal Democratic Party (LDP).

Turning to domestic issues, Miyazawa said he expressed regret about his failure to correctly assess the bad effects of the burst of the "bubble economy," a business boom marked by skyrocketing land and stock prices in the late 1980s. A politician well versed in economic affairs, Miyazawa said, "I could not see through the collapse of the bubble economy. I could not do so, though I sensed it earlier."

It was also regrettable, he said, that he failed to honor a promise to get a set of political reform legislation on to the statute books in the last Diet session amid strong public distrust in politics. Citing the LDP's recent decision to push for political reform centering on electoral changes and tighter curbs on political funding, Miyazawa said the new cabinet must achieve reform to meet public expectations. Miyazawa dissolved the House of Representatives for a snap general election in June after he finally gave up on political reform.

In the poll, the LDP failed to win a majority in the key chamber, and it appears certain that the seven-party

majority coalition will wrest power from the LDP for the first time in 38 years. But Miyazawa said, "all in all, for the past one year and nine months, I luckily have done what I set out to do at my own pace."

#### **LDP Executive Council Head Said Nakasone Ally** *OW0208122993 Tokyo KYODO in English 1216 GMT 2 Aug 93*

[Text] Tokyo, Aug. 2 KYODO—Yoshiaki Kibe, who has been appointed new chairman of the Liberal Democratic Party (LDP) Executive Council, is known as the right-hand man of former Prime Minister Yasuhiro Nakasone. Kibe, 67, is the eldest among the three newly appointed top LDP executives, and was a secretary of LDP President Yohei Kono's late father, Ichiro, when the senior Kono was agriculture minister.

He served as parliamentary vice minister for economic planning and the head of the transport committee in the House of Representatives before getting his first cabinet post in 1984 as construction minister under the Nakasone cabinet. Under the cabinet of Toshiki Kaifu in 1990, he assumed the post of director general of the Hokkaido and Okinawa Development Agencies after Shigemasa Sunada gave up the post due to illness. Known as an expert on Arab affairs, Kibe heads a parliamentarians' group promoting friendship with Arab nations. From December 1992, he has been secretary general of the LDP's third-largest faction led by former Foreign Minister Michio Watanabe.

Dropping out of Chuo University, Kibe was first elected to the lower house in 1963. He has been returned to the powerful lower chamber nine times from the No. 2 Constituency in Shizuoka Prefecture.

#### **Ministry: No Immediate Review of Rice Price Policy**

*OW0208114593 Tokyo KYODO in English 1110 GMT  
2 Aug 93*

[Text] Tokyo, Aug. 2 KYODO—Japan's vice farm minister said Monday his ministry will not immediately review its rice price policy as recommended by a ministry advisory panel. Akio Kyoya, vice minister of agriculture, forestry, and fisheries, said at a news conference: "It will not be appropriate for the ministry to review the policy hysterically and in haste." He said the ministry will require time to study the review of rice price policy.

The Rice Price Council made the recommendation to establish a basic pricing policy last Saturday when it failed to work out a clear-cut proposal on this year's government purchase price of rice. The council wrote down three proposals—a price hike, a price cut and a price freeze. The government purchase price of this year's rice crop has been frozen at 16,392 yen per 60 kilograms, but farmers will be paid an extra 16.8 billion yen in subsidies, which is equivalent to a net hike of 2.55 percent.



### **Japan Chamber of Commerce Head Resigns**

*OW3007115593 Tokyo KYODO in English 1058 GMT  
30 Jul 93*

[Text] Tokyo, July 30 KYODO—Rokuro Ishikawa asserted Friday that his resignation from his post as head of both the Japan Chamber of Commerce and Industry and the Tokyo Chamber of Commerce and Industry is unrelated to recent construction bribery scandals. Ishikawa, who is also chairman of Kajima Corp., spoke at a news conference held after the Tokyo chamber's regular membership meeting, saying that he was resigning because of the completion of various large projects. "The reason (I am resigning) is because of the completion of large projects including the establishment of Tokyo Metropolitan Television Broadcasting Corp. It is not a move for taking responsibility. It has no direct connection to the construction bribery scandals," he said.

The widespread view, however, is that Ishikawa's resignation was spurred by the series of bribery scandals that have recently come to light. Kajima, a major contractor, has been under fire for its alleged role in the scandals, which include shady political donations to former political power broker Shin Kanemaru and alleged bribery in public works projects of Sendai City, Miyagi Prefecture, and Ibaraki Prefecture. The company has also been embroiled in a bid-rigging scandal involving public works projects in Saitama Prefecture.

Ishikawa said no compulsory investigations have been made at Kajima and that he believes there is no link between the bribery scandals and his company. "I have no intention of quitting my post as chairman (of Kajima)," he said.

At the press meeting, Kosaku Inaba, president of Ishikawajima-Harima Heavy Industries Co., who is to replace Ishikawa as head of both the Japan chamber and the Tokyo chamber, said he agreed to take the post since he believes this is an important time for the chambers considering the current economic conditions.

Takeshi Nagano, president of the Japan Federation of Employers Association (Nikkeiren) said Ishikawa's resignation is "inevitable" and that both the political and business circles need to repent deeply. He said the incident represents a change that is taking place in the Japanese economic and social system. Masaru Hayami, chairman of the Japan Association of Corporate Executives (Keizai Doyukai) gave Ishikawa credit for his role in international activities and in his involvement with the introduction of the consumption tax in 1989. Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren) said Ishikawa probably chose to resign amid the mood for change in the political and business circles.

### **Kajima Corp. Limits Political Donations**

*OW3007132093 Tokyo KYODO in English 1201 GMT  
30 Jul 93*

[Text] Tokyo, July 30 KYODO—Kajima Corp., a major Japanese contractor involved in a political funding scandal, said Friday it will place a 500,000 yen annual limit on donations to organizations raising funds for politicians. The limit is part of a set of guidelines set after major contractors were accused of giving illicit donations to fallen Liberal Democratic Party (LDP) power broker Shin Kanemaru, who is now standing trial for tax evasion. Investigators raided offices of Kajima and 17 other contractors to search for evidence that Kanemaru evaded tax on income he allegedly amassed by skimming off political donations from such contractors.

Kajima officials said the guidelines will halt contributions to groups that support politicians, some of whom are suspected of taking advantage of fictitious support groups to accept donations larger than the legal limit. The political funds control law limits to 1.5 million yen per year the amount of money which politicians may legally accept from a single business corporation or individual. The guidelines say Kajima "will not donate money to groups which do not have substance in their (political) activities."

Ties some politicians allegedly have with the construction industry came under public scrutiny after tax evasion and bribery indictments were handed down naming Kanemaru and the chiefs of some local municipal governments.

Kajima announced its voluntary guidelines the same day that its chairman, Rokuro Ishikawa, resigned his posts as head of the Japan Chamber of Commerce and Industry to take the blame for public rage caused by the industry's scandal. Ishikawa did not quit as company chairman, however.

The 59 members of the Japan Federation of Construction Contractors has adopted similar rules limiting to one the number of support groups of a single politician to which companies may contribute. The political funds law does not limit the number of fund-raising or support groups that may be set up by politicians, and only mandates that names of the organizations be registered with the Ministry of Home Affairs.

The new Kajima guidelines also comply with rules adopted earlier by the Contractors' Federation, which placed a cap on the number of party tickets that members may buy for political fund-raisers. Members will only be allowed to buy 10 tickets per fund-raising party, rather than the unlimited number which was previously allowed. In addition, the Kajima rules will direct compliance with a request by the national tax administration agency for reduction of unspecified expenditures, company officials said.



Earlier in the day, Construction Minister Kishiro Nakamura also told the construction industry to cut such unspecified expenditures. Companies are not legally required to identify the recipient of unspecified expenditures in tax returns as long as they do not seek tax deductions and instead pay a 37.5 percent tax. Opposition legislators have rapped the tax category as a loophole that enables businesses to hide illegal political donations. Press reports say the construction industry annually writes off about 40 billion yen as unspecified expenditures. A Kajima executive said, "Although we received lots of politicians' requests for political contributions during the general election campaign, we turned down most of these requests."

### **Construction Ministry To Try Competitive Bidding**

*OW0308045093 Tokyo KYODO in English 0442 GMT 3 Aug 93*

[Text] Tokyo, Aug. 3 KYODO—Construction Minister Kishiro Nakamura said Tuesday he has ordered his ministry to introduce a competitive bidding system for public works projects on a trial basis as soon as possible. Nakamura's order came in response to a rash of bribery scandals in the construction industry. The special committee of the ministry's central council on construction contracting business on Monday started a two-day meeting to review the "designated bidding system" and consider a more open and competitive system. Nakamura told reporters the ministry will consider the possibility of trying out a competitive bidding system without waiting for recommendations from the advisory group.

### **Construction Industry Leader Vows Reform Efforts**

*OW3007122693 Tokyo KYODO in English 1152 GMT 30 Jul 93*

[Text] Tokyo, July 30 KYODO—A senior construction industry official promised Friday [30 July] to do his best to prevent illegal payoffs involving general contractors. Teruzo Yoshino, president of the Japan Federation of Construction Contractors, told a news conference the industry has been ordered by the Construction Ministry to carry out structural reorganization to help rid itself of scandals. Yoshino said the industry will make an earnest effort to prevent pre-tender negotiations among contractors and reduce the amount of money unaccounted for in financial statements released by member firms.

Yoshino, who is chairman of Shimizu Corp., said he has no intention of resigning as head of the federation and added he will stay on to promote structural reorganization of the industry. He made the remark when asked to comment on the resignation of Rokuro Ishikawa, chairman of Kajima Corp., as chairman of the Japan Chamber of Commerce and Industry.

Taira Shibata, president of Nishimatsu Construction Co. and chairman of the Japan Civil Engineering Contractors Association, who was present at the news conference, said he will stay in his post until a court ruling is handed down on the scandal.

Yoshino also said he asked Ibaraki Gov. Fujio Takeuchi last year to select Shimizu Corp. as a contractor for construction of a new prefectural government office. He said it is natural for general contractors to make such requests. Takeuchi has been detained for allegedly taking bribes from Hazama Corp.

### **Ibaraki Lawmakers Keep Illegal Construction Ties**

*OW0208092293 Tokyo KYODO in English 0847 GMT 2 Aug 93*

[Text] Mito, Aug. 2 KYODO—A quarter of the members of the local government in Ibaraki Prefecture at the center of a construction industry scandal are illegally serving as virtual directors of construction firms, well-placed sources said Monday. They said 17 members of the Ibaraki Prefectural Assembly are involved. Ibaraki Prefecture, whose assembly members total 64, has been rocked by a corruption and bribery scandal involving Gov. Fujio Takeuchi, 75. Takeuchi was arrested late last month on suspicion of taking a 10 million yen bribe from Hazama Corp., a major contractor, in 1990.

The Local Government Act prohibits local assembly members from serving as directors of companies that receive orders for public works projects from their local governments.

One of the contractors is an engineering company in Hitachi, Ibaraki Prefecture, the sources said. After forming a joint venture with Hazama and other Tokyo-based contractors, the Hitachi Company won the contract to build a dam in the prefecture. The bribes that Takeuchi allegedly took are regarded as a reward for helping the Hazama-led joint venture win the contract to build the multibillion yen dam project, the sources said. A member of the long-governing Liberal Democratic Party is listed as a major stockholder of the Hitachi Company, and had served as president. Public works projects accounted for the bulk of the Hitachi Company's 16 billion yen in revenue in fiscal 1992, which ended last March, giving it the fourth-largest share among construction companies in Ibaraki.

Other former presidents of two construction companies that are listed as the area's second and fourth largest, respectively, once served as Ibaraki Assembly chairmen. The sources also said that other assembly members have served as advisers to the construction industry, or had relatives take positions.



### **Kyushu Construction Firms Deny Bid Rigging**

*OW3107060593 Tokyo KYODO in English 0549 GMT  
31 Jul 93*

[Text] Fukuoka, July 31 KYODO—Companies in Kyushu on Saturday denied their involvement in alleged bid rigging on contracts with the U.S. Navy in Japan although they made payments to settle the case. The U.S. Justice Department announced Friday that 27 Japanese firms accused of bid rigging in connection with a series of construction projects at the U.S. Naval Base at Sasebo in Kyushu have paid 113 million yen to the U.S. Government to settle the case.

Kyudenko Corp., one of the Japanese companies named in the announcement, said documents exchanged with the U.S. Government confirmed there was no bid rigging. Nobuyuki Shigiyama, senior managing director of the Fukuoka-based company, said the company paid the money in order to save the time and expense of a court battle.

Sakae Yoshida, president of Dia Co. in Sasebo, said payment of the money does not mean acknowledgement of the U.S. allegation. He said an investigation conducted by the company found no trace of bid rigging. The investigation was carried out two and a half years ago when the U.S. Navy demanded penalty payments of more than 500 million yen for alleged bid rigging, he said. He said the company will take counteraction against the U.S. Government for betraying an agreement not to make public payments made to settle the case. Yoshida said the agreement was contained in notes of settlement exchanged between the company and the U.S. Government.

Shuichi Mori, president of Sanwa Kogyo Co., denied the company has paid money to the U.S. Government. He said his company sometimes participates in projects at the U.S. base but the contract value is small.

## **North Korea**

### **North Sends Delegate List to Seoul Rally Meeting**

*SK0308080993 Pyongyang Korean Central  
Broadcasting Network in Korean 0722 GMT 3 Aug 93*

[Text] Choe Pong-chun, our side's chief of the North-South Liaison Office in Panmunjom, sent a telephone notice to Yi Chun-ku, the South side's chief, on 3 August.

The telephone notice pointed out: At the request of Mr. Paek In-chun, chairman of the North side's Preparatory Committee for the Fourth Pan-national Rally, I send the following telephone notice to you. I hope that you will duly deliver it to Reverend Mun Ik-hwan, chairman of the Fourth Pan-national Rally.

Reverend Mun Ik-hwan, chairman of the Fourth Pan-national Rally:

To make the Fourth Pan-national Rally the nation's meaningful grand reunification festival, I notify you of the following list of our side's delegates to the tripartite working-level talks of Pan-National Alliance for National Reunification officials in the North and South and abroad, which will take place in Seoul on 6 August;

Head of the delegation Ho Hyok-pil, vice chairman of the North side's Headquarters;

Delegate Chong Tok-ki, member of the North's Headquarters Central Committee;

Delegate Ho Chang-cho, chairman of the North's Headquarters.

In connection with this, I hope that you, Reverend, will cooperate to ensure that your side's authorities urgently take appropriate measures for the passage of Panmunjom by our side's working-level delegates, who will go to Seoul, and for the guarantee of their personal security.

Mr. Paek In-chun, chairman of the North side's Preparatory Committee for the Fourth Pan-national Rally

[Dated] August 3, 1993.

### **Mun Ik-hwan Becomes Pannational Rally Chairman**

*SK0208053993 Pyongyang KCNA in English 0501  
GMT 2 Aug 93*

[Text] Pyongyang, August 2 (KCNA)—Those concerned of the South side of the National Alliance for the country's reunification (Pomminnyon) held a meeting in Seoul on July 30 with the attendance of more than 400 people of different circles to promote a successful holding of the fourth Pan-National Rally [PNR], according to a CBS report from Seoul.

At the meeting the Rev. Mun Ik-hwan was elected PNR chairman and Kang Hui-nam and thirteen others permanent members of the PNR preparatory committee.

They proposed tripartite working-level talks between delegates of the North, the South and overseas sides in Seoul on August 6 as part of preparations for the fourth PNR slated in Seoul from August 13 to 15.

### **Group Investigates 'Comfort Women' Issue**

*SK0308051093 Pyongyang KCNA in English 0442  
GMT 3 Aug 93*

[Text] Pyongyang, August 3 (KCNA)—The DPRK Committee for the Investigation of Damage Caused by Japanese Imperialists During Their Occupation of Korea (hereinafter referred to as the "Fact-finding Committee on the Damage") has carried out investigation into the crimes committed by the Japanese imperialists with regard to the "comfort women for the army", and published interim findings Monday out of the desire to resolve the matter of compensation for the damage in



accordance with the international law and morality now that the truth of the case has been cleared up.

The interim findings note that since the setup of the Fact-finding Committee on The Damage on May 24 last year up to June 30 this year, 131 women have been identified as "comfort women" and out of them 34 women agreed to take the witness stand.

In preparing this interim findings on the crimes against the "comfort women for the army" the fact-finding committee has based itself upon the testimonies of 131 victims and official documents and information obtained at home and abroad.

According to the interim findings, Japan had drafted 6 million Koreans in the name of commandeering, conscription and "volunteer corps", about 200,000 women as the "comfort women for the army", and brought to death one million in 41 years from November 1905 to August 1945.

The fact that Japan took away about 200,000 women from Korea to make them their sex slaves in the name of "comforting the army" by using the government and military authorities was the most heinous anti-human crimes unprecedented either in modern history or war history.

Making exhaustive investigations into this criminal case and resolving the issue of compensation for the damage properly is very important to maintain order in the international community, based on mutual respect of sovereignty and equality among nations, justice and democracy, and prevent the recurrence of the crime.

On January 10, 1992, some official documents concerning "comfort women" were discovered in the archives of the Japanese "defence agency" and it was confirmed by these documents that the main culprit of the criminal case was none other than the Japanese Government and military authorities.

Although the "comfort women" case took place 50 years ago, it is not the matter of past, but the matter of today, because its evidence and the main culprit have been confirmed recently.

The findings fully expose the truth behind the crime against the "comfort women for the army" such as the motive and objectives of the crime, sources and methods of recruitment, management and operation of "comfort houses", treatment of "comfort women" at the end of war, the number of the "comfort women" and their living conditions after the war.

According to the findings, Arafune, the then member of the House of Representatives, a senior member of the Liberal Democratic Party of Japan who was once nominated for vice-presidency of the House of Representatives, remarked in his election campaign on November 20, 1965, "142,000 Korean comfort women died. Japanese soldiers killed them after satisfying their sexual desire."

The interim findings state below our view on the "comfort women" case and our demand:

On the basis of investigation conducted so far, the Fact-finding Committee on the Damage has reached the conclusion that the "comfort women" case was part of the undertaking to step up the exterminate-the-Korean-nation policy which had been pursued by the Japanese government and the military authorities, by taking advantage of Japan's invasion of Manchuria, the Sino-Japanese war and the Pacific war.

Destroying the existence and generative functions of a large number of young Korean women close to 200,000 did not contravene the Japanese law but accorded with Japan's exterminate-the-Korean-nation policy.

If the war dragged on for 10 more years, it should be perfectly clear that nearly all the young Korean women would have been taken to the "comfort houses" and the survival of the Korean nation itself would have been in danger.

The "comfort women" case was one of the crimes committed by the Japanese Government and military authorities which illegally occupied our country and enslaved our people for 41 years with the backing of their formidable Armed Forces.

In the light of international law, the "comfort women" case is "a crime against humanity".

It is "a crime against humanity" which contravenes paragraph C of Article 6 of the Law of the Nuremberg International Military Court for the trial of the German war criminals and article 5 of the Law of the Tokyo War Crimes Tribunal for the Far East established after the Second World War for the trial of the Japanese war criminals.

In the light of international law, the "comfort women" case was "a crime against humanity", being an inhuman act whereby they enslaved innocent women of another country and killed most of them.

Those war criminals of Germany and other countries who violated international laws were punished and the governments concerned made compensations to the victims or their bereaved families after the war.

But, in spite of the fact that Japan committed crimes in the "comfort women" case gravely violating human rights corresponding to "crime against humanity" under the international law, those responsible for these crimes have not yet been punished by law and the Japanese Government has not made any compensation to the victims.

The Japanese Government must examine the following matters and officially declare that it admits the fact:

— Forcible drafting;



- Those responsible for the crime in the "comfort women" case;
- The matter concerning other victims than the survivors identified so far and their whereabouts;
- Inhuman treatment of "comfort women";
- Flagrant violation of international law resulting from the "crime against humanity".

The Japanese Government must enact a domestic law and punish those responsible for the "comfort women" case through their trials and thus show its repentance.

It must express its honest repentance to the victimized countries, individual victims and the international community by:

- Adopting a resolution at the Diet;
- Expressing apology at the UN General Assembly;
- Officially making apology at inter-governmental talks;
- Building a memorial tower;
- Giving an account of the crimes in the history textbooks.

The "comfort women" case is not a case of material damage. So it is impossible even by a thousand pieces of gold to heal the wounds of the victims and restore their original state.

It is therefore hard to ask for compensation to restore their original state.

However, in order to restore the honor of our victims and the damaged international justice, opportunities should be given to the Japanese Government to show by material means its will to atone for the wrong done.

Demanding a certain amount of financial compensation means giving an opportunity to the Japanese Government to repent of its past crimes.

But the Japanese Government does not admit the essential points of the crimes such as forcible drafting and deliberately avoids the full-scale investigation into the case in point. This is the attitude taken by it until now. And, far from adopting measures for compensation to the survivors at an early date, it is attempting to resolve the problem by what it calls "humanitarian fund".

This is another mockery of our nation and victims as well as justice and conscience of the international community.

If the Japanese Government persists in such attitude, it is necessary to establish an international tribunal through the United Nations and resolve this problem there.

### Meeting Commemorates Cuban Revolution Anniversary

SK3107082493 Pyongyang Korean Central  
Broadcasting Network in Korean 1300 GMT 29 Jul 93

[Text] A central meeting to commemorate the 40th anniversary of the surprise attack on the Moncada barracks in Cuba was held at the Cultural Palace of the People on the afternoon of 29 July.

Placed on the platform of the meeting hall were a portrait of Comrade Kim Il-song, the great leader of our party and our people, and a portrait of Comrade Fidel Castro Ruz, supreme leader of the Cuban revolution.

Put up at the meeting hall were the slogans "Hurrah for the 40th Anniversary of the Cuban People's Armed Uprising," and "Hurrah for the Invincible, Friendly Unity Between the Korean People and the Cuban People."

Present at the meeting were Comrade Kim Chung-nin, secretary of the Central Committee of the Workers Party of Korea [WPK]; Comrade Chang Chol, vice premier of the State Administration Council; Chong Chun-ki, chairman of the Korean Committee for Cultural Relations With Foreign Countries; Kim Hyong-u, vice director of a department of the party Central Committee; (Song Un-ho), vice foreign minister; Chon Chae-son, general of the Korean People's Army; other relevant functionaries; and downtown workers.

Invited to the meeting were the Cuban delegation of party, government, and military officials led by Jorge Lescano Perez, member of the Political Bureau of the Central Committee of the Communist Party of Cuba [PCC] and first secretary of the PCC Havana municipal committee, and officials of the Cuban Embassy in the DPRK.

When members of the Cuban delegation appeared at the rostrum, children handed them floral bouquets. The meeting began with the playing of the Cuban and DPRK national anthems.

Comrade Chang Chol spoke first at the meeting. He said that the 40th anniversary of the victory in our people's great fatherland liberation war and the 40th anniversary of the Cuban people's surprise attack on the Moncada barracks were very significant anniversaries to the two countries' people. He added that he extends warm congratulations and militant greetings to the PCC Central Committee and the government and brotherly people of the Republic of Cuba on behalf of the citizens of Pyongyang.

Comrade Chang Chol continued to say:

The surprise attack on the Moncada barracks by the Cuban revolutionaries was a declaration heralding a new start for the Cuban revolution. It was also a historic event which kindled a flame of struggle in the Cuban people, who groaned from imperialist domination and



oppression by their stooges, and cast a revolutionary beam on the Cuban people. [applause]

Cuban revolutionaries and patriots who firmly grasped burning revolutionary torches at the Moncada barracks, staged the heroic, armed struggle at Mt. Sierra Maestra after going on an expedition to Granma. As a result, they put an end to the history of national ordeals and won revolutionary victory. [applause]

Upon attaining revolutionary victory, the brotherly Cuban people reliably defended the revolutionary gains and socialist system without the slightest vacillation under the correct leadership of the PCC headed by Comrade Fidel Castro, supreme commander, even under the difficult conditions of continued U.S. maneuvers of aggression, interference, and blockade.

In response to the rapidly changing world situation today, Cuba is vigorously embarking on the struggle to further strengthen the party, to heighten its leading role, and to firmly protect, defend, and adhere to the socialist system upholding the slogans "The Fatherland or Socialism," [as heard] and "Let Us Defend Revolutionary Socialism of the Fatherland." The Cuban party firmly united a broad range of popular masses around the party by strengthening the role of working organizations. In addition, the Cuban party actively conducted political indoctrination work among the working people and is firmly forging cohesion and unity based on the ideological will of the revolutionary ranks.

Various sovereign organizations successfully held elections in Cuba recently, demonstrating vigorously to the world, the might of the Cuban people firmly united around the respected Comrade Fidel Castro and the party. The resolution for putting an end to the U.S. anti-Cuban economic blockade was adopted by an overwhelming majority at the United Nations in 1992. This clearly showed the sharp rise in international support and solidarity for the Cuban revolution.

Revolutionary changes and all victories that have taken place in Cuba for the past 40 years since the first shot was heard at Moncada are valuable fruitions achieved by the creative labor and heroic struggle of the Cuban people who are deeply aware of the justness of their cause and are vigorously advancing along the road, which they have already chosen, by being firmly united around the leader [suryong]. [applause]

The Korean people are as pleased with victories and successes achieved in the revolution and construction by the Cuban people, who pioneered the road of socialism in the western hemisphere of the earth and are victoriously advancing on the road as they are of their own victories and successes. The Korean people give active support and firm solidarity to the Cuban people's just cause of protecting their national sovereignty and revolutionary gains and achieving victory of the socialist cause. [applause]

The Korean people are unequivocally sure that the Cuban people who bravely overcome the obstacles and difficulties they face by greatly displaying their 26 July faith and will and [word indistinct] spirit, will achieve brilliant victory in implementing their cause without fail. They wholeheartedly wish the Cuban people greater success in their struggle to complete socialism by implementing the decision of the fourth PCC Congress. [applause]

Comrades,

We grandly marked the 40th anniversary of victory in the fatherland liberation war with goodwill envoys from many countries, including Cuba. Through celebrations on the 40th anniversary of their war victory, our people again demonstrated their invincible might of single-hearted unity around the great leader Comrade Kim and dear leader Comrade Kim Chong-il throughout the world. They also showed their firm resolution and will to defend, protect, and glorify socialism of our own style—our life—to the end, under the party's wise leadership.

Only victory and honor are reserved for our people, who are advancing under the wise leadership of dear leader Comrade Kim Chong-il, upholding the great leader Comrade Kim Il-song. [applause]

I would like to take the opportunity to express deep gratitude for the Cuban party's, government's, and the fraternal Cuban people's invariable and active support and encouragement for our people's just cause for socialist construction and reunification of the country. [applause]

Our people will make every effort to continuously strengthen and develop friendship and solidarity with the Cuban people and will fight on the road of anti-imperialist struggle for independence and socialism, always in cooperation with the Cuban people. [applause]

Hurrah for the invincible, fraternal friendship and unity between the DPRK and Cuban peoples! [applause]

Long live Comrade Fidel Castro Ruz, supreme leader of the Cuban revolution! [applause]

Long live the great leader Comrade Kim Il-song! [applause]

Long live the dear leader Comrade Kim Chong-il! [applause]

Hurrah for the 40th anniversary of the surprise attack of Moncada barracks! [applause]

Jorge Lescano Perez, the head of the Cuban delegation, spoke next at the meeting. He said that he was very grateful for the fact that the DPRK had invited the Republic of Cuba delegation of party, government, and military officials on the 40th anniversary of the victory in the great fatherland liberation war and warmly welcomed their arrival.



He went on to say: [Begin Perez recording in Spanish, with superimposed Korean translation] The DPRK has set a brilliant example by defeating both the U.S. and Japanese imperialists in one generation after overcoming all difficulties. And, in the difficult situation in which the country has been divided, it has positively struggled to achieve national prosperity and build a new society under the uplifted banner of socialism.

The artificial division of the Korean peninsula and the U.S. forces' occupation of South Korea still continue today. The Cuban people have always positively supported the Korean people's age-old earnest desire and struggle to independently reunify the fatherland.

The DPRK Government has advanced concrete proposals to fulfill the unanimous desire of all the fellow countrymen by peaceful means. To promote an atmosphere for sincere North-South dialogue, the United States and South Korea must stop conducting joint military exercises, remove the U.S. forces and the U.S. military bases from South Korea, and end foreign interferences. Korean people themselves must resolve the Korean issue without foreign interferences. [applause]

No other era in the history of mankind was more dangerous and complicated than today. U.S. imperialists have used the UN Security Council as a means to carry out their oppressive, hostile policy.

Since socialism collapsed and disintegrated dramatically in Eastern Europe and the former Soviet Union, the U.S. imperialists have threatened and blackmailed our people [uri inmin] at random in various places in the world.

Only by firmly adhering to Marxist and revolutionary principles can we overcome current difficulties and defend revolutionary achievements.

Cuba is defending its ideas, independence, and sovereignty despite its proximity with the United States.

The United States has been imposing a vicious economic and trade embargo on our Cuban people for more than 30 years to stifle [apsal] them. Nothing has been able to frustrate our revolution. And, the Cuban people stand tall with pride even though the U.S. imperialists direct the spearhead of aggression at them. [applause]

The Cuban people will crush the U.S. imperialists' anti-Cuban aggression and blockade maneuvers and always stand tall with pride under the uplifted banner of socialism with the United States near at hand.

Even though the situation is complicated, we are making every effort to improve well-rounded free education and public health work, our two most important tasks, to the level of the advanced countries.

We are distributing small amounts of resources in a revolutionary manner and equally sharing all achievements with the people.

Our people are making many efforts to develop agriculture and other fields. Our scientists are utilizing new inventions for the welfare of all the people and making every effort to maintain Cuba's life expectancy and lowest infant mortality rate, which are the best among Third World countries and developed countries.

Cuba is playing a positive role in supporting humanitarian and just causes in the international community and the Nonaligned Movement. Even though the imperialists are desperately maneuvering to isolate us, people from all parts of the world extend solidarity with us.

Korean brothers: We will march forward, learning from the courage, firm belief, and nobility which the young people and devoted revolutionaries displayed in the 26 July 1953 struggle against [words indistinct] by inheriting the spirit of all the heroes of the fatherland. [applause]

Just like the young people and revolutionaries who, at that time, attacked the Moncada barracks under the command of Comrade Fidel Castro, we, too, will continuously fight along the road that was cultivated by the revolutionaries, under the leadership of Comrade Fidel Castro until we eventually gain victory in the revolution. [applause]

Korean brothers: The people of our two countries will overcome future difficulties with a firm attitude. We will not be shaken at all by any enemy aggression maneuvers under the wise leadership of the two great parties and the two leaders [suryongdurui] and will defend the noble achievements which our fallen martyrs brought about with blood. [applause]

Long live the eternal and immortal friendship and unity between the parties and peoples of our two countries! [applause]

Long live the Korean people's great leader Comrade Kim Il-song! [applause]

Long live Supreme Commander Fidel Castro, the Cuban revolution's supreme leader! [applause]

Long live the dear leader Comrade Kim Chong-il, supreme commander of the Korean People's Army! [applause]

Honor to the heroes who sacrificed their lives for the liberation of Cuba and that of Korea 40 years ago! [applause]

Socialism or death! We will always march forward until we gain final victory! [applause] [end recording]

The meeting ended with the chorus of the Internationale.



**Daily Urges Success Using War Victory Spirit**

SK3107101893 Pyongyang Korean Central  
Broadcasting Network in Korean 0025 GMT 31 July 93

[NODONG SINMUN 31 July editorial: "Let Us Continue To Vigorously March Forward With the Same Spirit That Glorified the 40th Anniversary of the Victory of the War as a Great Celebration of the Victors"]

[Text] The whole country is currently wrapped up in great pride and happiness of having glorified the 40th anniversary of the victory of the great fatherland liberation war as a great celebration of the victors. Amid the great interest and expectation of the whole nation and the world's progressive people, all functions related to the 40th anniversary of the victory of the war were carried out successfully under an unprecedented scale. This is another great pride of the chuche Korea.

All of our party members and workers defeated the U.S. imperialists' armed invasion, and significantly celebrated the second liberation day that honorably defended the fatherland's freedom and independence, through unprecedented upsurged political enthusiasm and great labor results.

Party and state leaders and high-ranking figures from various countries of the world and many delegations visited our country to enthusiastically congratulate the 40th anniversary of the victory of the war. They expressed firm solidarity in the struggle of our party and people that brilliantly safeguard and adhere to the socialist cause by smashing [chitbusida] all kinds of challenges and aggressive maneuvers by the imperialists. This is a great encouragement for our people.

The festive function of the 40th anniversary of the victory of the great fatherland liberation war was a great revolutionary event that vigorously manifested to the whole world the heroic spirit and indomitable will of our party and people and the might of the single-hearted unity of our revolutionary ranks.

The dear leader Comrade Kim Chong-il has pointed out: The people of the world are being envious of us after seeing our country's appearance of single-hearted unity. This is by no means a coincidence. The single-hearted unity of the leader, the party, and the masses is our country's true appearance and the source of an invincible might.

Our people truly respect their leader [yongdoja] and are truly good people who fight by entrusting their fate to the party and the leader. There are no people in the world as our people who have firm faith and lofty morality and sense of duty, and who are firmly united around the party and the leader.

The various functions that took place including the military parade and demonstration of one million people and the soiree to celebrate the 40th anniversary of the victory of the war clearly showed how high our people's enthusiasm are in endlessly admiring and following the

respected and beloved leader Comrade Kim Il-song, the great strategist, who is leading the socialist cause of our era to the one road of ever victory, and how strong our people's and the revolutionary forces' will are in moving along the ten million-ri of the revolutionary road to the end by following the dear leader Comrade Kim Chong-il.

Therefore, the 40th anniversary of the victory of the fatherland liberation war becomes another pride event that is noteworthy in our people's revolutionary struggle history in which the arduous trials were courageously overcome through the might of the single-hearted unity.

The 40th anniversary of the victory of the great fatherland liberation war was a great historical festival that manifested the absolute superiority of socialism of our own style and infinite vitality that our people adhered to and elucidated through blood.

Under the wise leadership of the party and the leader, our people overcame endless challenges by the imperialists and their cat's paw through peerless mass heroism, patriotic devotion, and indomitable fight spirit during the 40 years of the postwar period. In doing so, they accelerated the revolution and construction, thus magnificently built on the fatherland a prosperous socialism of our own style centered on the popular.

Especially, the victory achieved by our people and the revolutionary forces in the acute political and military confrontation to smash [chitbusida] the antisocialist maneuvers by the imperialists which were unprecedentedly strengthened, is truly great and triumphant.

In the process of significantly celebrating the 40th anniversary of the victory of the war, our people and the Army once again correctly showed that our determination to firmly defend the fatherland's dignity and honor in whatever environment and firmly adhere to the socialist revolutionary banner is by no means empty talk.

The heroic spirit which was highly manifested by our party and people and the revolutionary forces in the great festival is inspiring the world's revolutionary people. This is also embracing faith and encouragement to the revolutionary parties and people struggling to revive the socialist movement from a new foundation.

Our people were able to brilliantly decorate the 40th anniversary of the victory of the great fatherland liberation war as a great revolutionary festival which will be engraved in golden letters in the history of our nation. This cannot be thought about without the refined leadership of the dear leader Comrade Kim Chong-il.

Based on the demand of our revolution and our people's seething desire, our party announced the party Central Committee's slogan related to the 40th anniversary of the victory of the war and consistently organized and mobilized the whole party, the whole people, and the whole Army in the struggle to implement it. In this process, our revolutionary ranks were strengthened more



than any time before and great miracles and innovations were achieved in production and construction.

Today's reality proves that only the people who highly uphold the great commander, who is equally distinguished as a soldier and a scholar, at the head of the party, the revolutionary ranks, and the revolutionary forces can brilliantly succeed the past heroic struggle spirit and plow through to the end the socialist road which they chose.

The spirit of our party members and workers who glorified the 40th anniversary of the victory of the war as a great celebration of the victors is very high. Through the festive functions of the 40th anniversary of the victory of the war, our people and soldiers of the People's Army bore in their minds with faith that as long as there is the skilled and refined leadership of the dear leader Comrade Kim Chong-il and a strong chuche of the revolution consolidated amid the arduous revolutionary struggle, no enemy can dare touch us.

Even though this world changes hundreds of times our single-hearted unity cannot be frustrated and victory is justly ours. This is a consistent will which is pulsating deep in the hearts of all of our people. Embraced with this faith and will we should further vigorously accelerate the advance march to elucidate socialism of our own style.

Our people's traditional revolutionary trait is to continue to vigorously carry out the struggle toward a new victory without being wrapped up in victory and without any slackness and stalemate.

Today our country's situation is tense as ever and we are faced with more enormous tasks. With the spirit of having highly upheld the party Central Committee's slogan and glorified the 40th anniversary of the victory of the war, we should advance, advance, struggle, and advance. Here lies the true way for us to continue to achieve victorious in the struggle for socialism and firmly consolidate our socialist fortress.

All the party members and workers should continue to vigorously push ahead in the struggle to implement the tasks presented in the party Central Committee's slogan on the occasion of the 40th anniversary of the victory of the war. The party Central Committee's slogan elucidates militant tasks of strengthening in every direction the political and ideological might of the revolutionary ranks which our party and people should continuously adhere to; further intensifying the three revolutions—ideological, technological, and cultural—in all fields; and of promoting the fatherland's reunification and the anti-imperialist cause for independence.

Party organizations at all levels should deepen a step farther the organizational and political work for accomplishment of tasks set forth by the slogans in compliance with the demand of today's reality in which we significantly marked the 40th anniversary of war victory.

It is an important revolutionary task facing our party and people to continuously and vigorously wage the struggle to create the speed of general march of our-style socialism.

By effecting a great upsurge in socialist construction, we should strengthen the nation's political and economic might in every way and should epochally enhance the people's material and cultural living standard.

All functionaries and workers should more vigorously accelerate socialist economic construction with such spirit and vigor as cherished when we vigorously waged the struggle to commemorate the 40th anniversary of war victory as a great festival of victors.

By highly displaying the spirit of self-reliance and arduous struggle, all domains of the national economy should satisfactorily fulfill the assigned economic tasks. They should continuously and vigorously carry out the struggle to accomplish our party's revolutionary economic strategy. Thus, they should epochally enhance the people's living standard by fully mobilizing the nation's economic potentials and should overfulfill this year's national economic plans without fail.

All domains of national economy and all the people throughout the nation should actively seek and mobilize internal reserves and should vigorously wage the struggle for production increase and for conservation. Thus, they should make this significant year the year of a great turn during which great innovations are registered in history of our nation's socialist construction.

The missions assigned to guiding functionaries are very important in continuously and vigorously marching forward with the spirit with which they glorified the 40th anniversary of war victory as a great festival of victors.

Functionaries should vigorously advance today's general march at the van of the masses worthy of commanding members of the revolution. The guiding functionaries should attentively carry out the organizational and political work to embody the ideas and intentions of the party and the leader. They should responsibly carry out all works with the attitude worthy of the masters of the revolution.

The singlehearted unity with the party and the leader is a firm guarantee for effecting a new upsurge in socialist construction and is a decisive factor for all of our victories.

As proved by great political congratulatory events held on the occasion of the 40th anniversary of war victory, our singlehearted unity is mighty and has infinite power with which we can demolish even a rugged mountain.

Because there was such indomitable singlehearted unity, we could smash the imperialists' challenge even under arduous circumstances in the past and could defend and protect our-style socialism. Thus, we registered a great revolutionary upsurge in socialist construction.



As long as we have such great singlehearted unity and cohesion in the future, there will be nothing we should be afraid of no matter what storm may come. We will further consolidate the singlehearted unity which has been formed between the party, the party and the masses amid long historic trials and whose invincibility has been fully proven.

All party members and workers should defend as their own eyes the singlehearted unity between the party and the people demonstrated during the period of festivals marking the 40th anniversary of war victory. We should make today's general march a process to strengthen the driving forces of socialism who are firmly rallied behind the party and the leader.

When we tenaciously advance and struggle by upholding the great leader and by following the leadership of the dear leader Comrade Kim Chong-il, we will win victory without fail by overcoming all difficulties and trials. This is the firm faith that our people came to cherish deep in their hearts through the proud struggle in which we glorified the 40th anniversary of war victory as a great festival of victors.

By cherishing this faith, our people will always firmly trust and follow only the party and the leader, and will unswervingly advance along the road of loyalty forever.

Let us all continuously and vigorously advance forward with the spirit with which we glorified the 40th anniversary of war victory as a great festival of victors. Let us again effect a great upsurge in socialist construction and more vigorously demonstrate invincibility of popular mass-centered socialism of our own style.

#### **KCNA Reviews 3 Aug Pyongyang Press**

*SK0308045793 Pyongyang KCNA in English 0420  
GMT 3 Aug 93*

[Press review]

[Text] Pyongyang, August 3 (KCNA)—Papers here today carry messages of greetings to the great leader Comrade Kim Il-song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea, and the dear leader Comrade Kim Chong-il from foreign party leaders on the occasion of the 40th anniversary of the victory in the great fatherland liberation war.

NODONG SINMUN gives an account of seminars on classical works of President Kim Il-song held in different countries.

The daily rounds up world public voices highly praising the wise leadership of President Kim Il-song who led the fatherland liberation war to victory.

Printed in the daily is a message of greetings sent by the C.C., the Workers' Party of Korea to Zine El Abidine Ben Ali upon the successful conclusion of the second convention of the Constitutional Democratic Rally of Tunisia and his reelection as president of the rally.

An article of the daily says the bosom of Comrade Kim Chong-il is a great fatherly bosom that warmly embraces the veterans of Korea.

MINJU CHOSON comes out with an article stressing that the greatness of our nation is based on the greatness of our leader and our party.

Econews of the press includes reports about a new upswing in production and construction effected by working people in different domains of the national economy in the spirit with which they glorified the 40th anniversary of the victory in the war.

The press carries interim findings on the crimes against "comfort women for the army" committed by Japanese imperialism which was published by the committee of the Democratic People's Republic of Korea for the investigation of damage caused by Japanese imperialists during their occupation of Korea.

NODONG SINMUN runs an article headlined "'October Yusin' Aimed at Permanent Military Fascist Dictatorship", the second instalment of an article exposing the criminal truth behind the emergence and extension of the military dictatorial "regimes" in South Korea.

Foreign party leaders stressed that the socialist cause is just and sure to win, says the daily.

MINJU CHOSON observes the independence day of Jamaica.

It is reported in NODONG SINMUN that Fidel Castro spoke at the fourth meeting of left political parties of Latin America and Caribbean region.

"Situation of Japan surrounding establishment of new government" is the title of a NODONG SINMUN article.

### **South Korea**

#### **IAEA Officials Begin Pyongyang Inspection Visit**

##### **Concerned With Damaged Nuclear Facility**

*SK0208135193 Seoul KBS-1 Television Network in  
Korean 1200 GMT 2 Aug 93*

[Text] It is a fact already revealed by the International Atomic Energy Agency [IAEA] through its inspection of nuclear facilities in North Korea that the North Korean nuclear technology is insufficient and atomic reactor facilities in Yongbyon are extremely poor.

A report of the IAEA, which we have received, pointed out that the replacement of fuel rods in the Yongbyon atomic reactor is inevitable, and therefore, it is worried that a high-degree of radioactivity may be leaked as the result of damage in fuel rods in the worst case.

Correspondent Cha Man-sun reports on this from Vienna.



[Begin Cha recording] A considerable number of the several thousand fuel rods contained in the 5-megawatt-level atomic reactor in Yongbyon, which North Korea has planned to replace this year, have been bent and are unable to maintain their original shape and are damaged seriously. This was confirmed on the spot by the IAEA inspection team in the early part of last May.

A high-ranking official in the IAEA affirmed this, and revealed that with present North Korean technology, replacement of fuel rods is difficult and will require a long period of time.

This official stressed that damage to these fuel rods are so serious that there is concern that a high-degree radioactive leak to the outside will occur when the fuel rods are replaced. In the worst case, safety would be threatened as the result of damage to fuel rods, thus causing serious problems.

Concerning this situation, nuclear experts observed that from the outset, North Korea might have failed to arrange in a balanced manner several thousand nuclear fuel rods and scores of control rods that adjust the amount of neutrons. In particular, because of insufficient technology in cooling the atomic reactor, North Korea must have failed to (?cool) in a balanced manner the nuclear fuel rods, which have super-heated.

Nuclear experts assess that the design and the level of operational technology of a graphite-moderated reactor developed by North Korea are extremely poor. They observed that since nuclear technology developed by North Korea is limited, North Korea requested technological support from the West for light-water moderated reactors on the pretext of nuclear weapons development. [end recording]

#### **Likely To Conduct Only Maintenance**

*SK0308004493 Seoul YONHAP in English 0029 GMT 3 Aug 93*

[Text] Seoul, Aug. 3 (YONHAP)—An International Atomic Energy Agency [IAEA] team waiting to enter North Korea is expected to carry out equipment maintenance rather than conduct an overall inspection, sources said Tuesday. The IAEA team was in Beijing and expected to enter Pyongyang within the day. North Korea accepted six ad hoc inspections up to last February but denied further access after threatening to leave the Nuclear Non-proliferation Treaty (NPT).

Another team visited North Korea in May, but the visit was mostly for upkeep of inspection equipment such as cameras. "The waiting team is most likely to do the same thing as the May team," said one official. "But we do regard this as progress even if it is not a resumption of full inspection activities," he said. "Keeping the checking devices in full operation is a necessary part of ad hoc inspection."

#### **Experts Leave Vienna for DPRK**

*SK0208230393 Seoul KBS-1 Radio Network in Korean 2100 GMT 2 Aug 93*

[YONHAP from Paris]

[Text] A relevant official of the International Atomic Energy Agency [IAEA] said on 2 August that three IAEA ad hoc inspection team experts left Vienna last weekend for Beijing to fulfill their nuclear inspection obligation in North Korea.

The official said by telephone on the afternoon of 2 August that they expect to obtain the North Korean visa in Beijing, and that they would fulfill their inspection obligation this week if they enter North Korea with the visa, but he did not disclose in detail the contents of their activities there.

Prior to his remarks, the IAEA Spokesman David Kyd said: The IAEA proposed last week to North Korea to send its ad hoc inspection team, but it has not received any reply from North Korea as of present. He added that he expects the nuclear inspection team to be allowed to enter North Korea sooner or later with the visa.

The IAEA ad hoc inspection team finally visited North Korea last May and completed their inspection work by checking the nuclear facilities [hoeksisolmul] such as the 5-megawatt-level atomic reactor for test purposes and the radiochemistry laboratory. They also conducted necessary maintenance and repair by replacing the battery of the camera used for inspection purposes. It inspected the nuclear facilities' sealing [pongjin].

#### **Team Arrives in Pyongyang 3 Aug**

*SK0308101093 Seoul KBS-1 Radio Network in Korean 0900 GMT 3 Aug 93*

[By correspondent Cha Man-sun in Vienna]

[Text] An ad hoc inspection of North Korea by the International Atomic Energy Agency [IAEA], which had been suspended since last May, has been resumed.

Three IAEA inspection team members, who were waiting for North Korean visas in Beijing yesterday, left Beijing for Pyongyang this afternoon, Korean standard time.

IAEA Spokesman David Kyd said that the DPRK Embassy in Beijing issued North Korean visas to the three IAEA inspection team members this morning, Beijing time. He added that they flew to Pyongyang on an DPRK civil aircraft this afternoon.

The IAEA spokesman said the IAEA inspection team, which arrived in Pyongyang this afternoon, will begin the one-week formal inspection [uirye sachal] tomorrow, including the replacement of batteries and tapes for surveillance cameras that the IAEA has already installed in seven nuclear facilities in Yongbyon.



The IAEA applied for North Korean visas for the six IAEA inspection experts in order to conduct a full-fledged inspection of North Korea. The DPRK, however, issued visas to only three official inspectors who had been waiting for North Korean visas in Beijing. It was noted that the DPRK is still attempting to dodge the full-fledged inspection.

### **DPRK Hopes To 'Limit' IAEA Activities**

*SK0308031893 Seoul YONHAP in English 0301 GMT 3 Aug 93*

[Text] Seoul, Aug. 3 (YONHAP)—As three International Atomic Energy Agency (IAEA) experts were awaiting North Korean visas in Beijing Tuesday, attention focused on what kind of a visit they will make to North Korea.

The IAEA, in current negotiations with North Korea, is said to have expressed hope that it could resume an ad hoc inspection, including technical checks, of North Korean nuclear facilities.

North Korea, on the other hand, reportedly wants to limit the visit of the IAEA experts to installing surveillance equipment in its nuclear facilities and replacing batteries in cameras that the IAEA has already placed there.

Ho Chong, deputy North Korean ambassador to the United Nations, said on Monday that he wanted to make it clear that the IAEA officials waiting in Beijing were not "an inspection team" but officials who would replace surveillance equipment.

Ho said that his country agreed in principle for IAEA officials to visit North Korea to take care of "working-level problems" such as exchanging batteries, indicating that North Korea was prepared to allow the three IAEA officials to visit its nuclear facilities.

There is a possibility, of course, that North Korea will accept an IAEA proposal to conduct an overall ad hoc inspection. The world has to wait, therefore, to see to what extent the three IAEA officials are allowed to look into North Korean facilities.

Within the South Korean Government, two schools of thought are said to be around with regard to possible North Korean reaction to the IAEA proposal. One believes that Pyongyang will come out positively toward the IAEA proposal since it hopes to continue its high-level talks with the United States, while the other thinks that North Korea will not allow an ad hoc inspection right away.

The South Korean Foreign Ministry ventures no speculation on a possible outcome of the current IAEA-North Korean negotiations.

The consensus among Foreign Ministry officials, however, is that North Korea will limit the coming IAEA

visit to "technical checks" such as operation of equipment and replacement of batteries.

"Although we cannot rule out the possibility for the IAEA to resume its ad hoc inspection as a result of the current negotiations, chances are very slim," said one Foreign Ministry official, requesting anonymity.

He allegedly based his belief on the fact that North Korea was still making an issue out of what it insists was the "partiality" of the IAEA.

"Even if they (North Koreans) will have to accept an inspection in the end, they will take their time," he said.

### **DPRK Not To Meet Goals of 3d 7-Year Plan**

*SK0208122493 Seoul CHUNGANG ILBO in Korean 2 Aug 93 p 11*

[Article by correspondent O Yong-hwan]

[Text] There is an analysis that it will be difficult for North Korea to attain the targets of its Third Seven-Year Economic Development Plan, including electric power, coal, iron, etc., which will come to an end at the end of this year.

This is partly because North Korea spent enormous amounts on the World Festival for Youth and Students in 1989. This is also partly due to the cut of economic relations after the socialist circles, including the Soviet Union, collapsed.

The Korean Trade Promotion Corporation (KOTRA) obtained and analyzed North Korea's economic data that the Pyongyang-based Russian trade representative's office has gathered. According to the data, even though North Korea had planned to build 50 plants at Suncheon chemical-fiber complex and in other places since 1987, it seems that North Korea has completed only 15 plants.

Even though North Korea has put prime efforts into expanding industrial facilities through equipment investment since 1987, it is revealed that the operating rate of the current production facilities is nothing but 50 or 70 percent for lack of energy.

Above all, North Korea had planned to increase electric power production—the key field of the Third Seven-Year Plan—up to 100 billion kilowatts. North Korea, however, has produced 31 billion kilowatts as of the end of last year.

The completion of the construction of the Mt. Kumgang hydroelectric power station and the Aju thermal power station has been delayed. The construction of the Namgang hydroelectric power station, Tongpyongyang thermal power station, and Haeju thermal power station is still at a snail's pace.



North Korea announced that the Taechon hydroelectric power station had been completed and has begun operations. In fact, it has been revealed that only some projects of the Taechon hydroelectric power station have been completed.

Coal production, which North Korea planned to produce 120 million tons of per year, was 50 million tons as of the end of last year.

North Korea has paid much attention to developing new coal mines in Ansu, Suncheon, Tochon, Pukchon, etc. since 1987.

North Korea has decided to produce 10 million tons of iron and steel during the Third Seven-Year Economic Development Plan.

Of this, the Kim Chaek Iron-Steel Complex has been in charge of producing five million tons, half of the target. The Kim Chaek Iron-Steel Complex, however, has attained about 30 percent of its target.

The production of pig iron and steel was 3.50 and 4.0 million tons, respectively, last year.

The production of nonferrous metals was 300,000 tons last year, which was far less than the yearly production target of 1.70 million tons.

It has been revealed that an aluminum plant which is capable of producing 400,000 tons a year has ceased production due to lack of energy.

The production of machinery, another key field, which North Korea had planned to increase by 2.5 times, is poor.

The result of machinery production last year was 23,000 metal cutting machines, 20,000 tractors, and 15,000 trucks.

North Korea planned to increase grain production up to the level of 15 million tons (including 7 million tons of rice) a year. The production of grain last year was only 5.50 million tons (including 3 million tons of rice).

North Korea planned to reclaim 300,000 chongbo of land. It, however, has reclaimed only five chongbo. North Korea planned to produce 7.20 million tons of fertilizers a year. It has, however, produced 3.50 million tons.

In spite of good weather conditions last year, the fishery products were nothing but three million tons, which was far less than the yearly production target of 110 million tons.

The target of fiber production was to attain 1.5 billion cubic meters during the Third Seven-Year Economic Developing Plan. However, fiber production last year was nothing but 450 million cubic meters owing to outworn equipment and lack of raw materials.

In the meantime, compared with other industrial fields, the production in electronic industry and building material industry is making satisfactory progress.

As to cement production, Sangwon Cement Plant was completed as scheduled and has been operated at full capacity. In addition, another large-scale cement plant will be soon completed in Sariwon.

It has been revealed that the electronic industry has full-fledgedly launched the development of industry robots and that the production of simple electronic goods, including television sets, has increased.

In addition, the work to build 30,000 dwellings has made satisfactory progress. Thus, it has been revealed that the construction of apartments in Kwangbok and Tongil streets in Pyongyang City is in a final stage.

### Seoul To Propose Nuclear Talks With DPRK

SK0308091993 Seoul YONHAP in English 0906 GMT 3 Aug 93

[Text] Seoul, Aug. 3 (YONHAP)—The Seoul government is expected to propose on Wednesday a meeting with North Korea to discuss the North's nuclear issues. A government source said on Tuesday that the proposal will be made in a telephone message to be sent by Prime Minister Hwang In-song to his Pyongyang counterpart, Premier Kang Song-san.

Prime Minister Hwang would in the message call for the resumed business of the South-North Joint Nuclear Control Commission whose function has been suspended since last Jan. 25. The message, the source said, would suggest that the joint commission could discuss the implementation of the joint declaration of the denuclearization of the Korean peninsula as well as the question of making simultaneous inter-Korean nuclear inspections.

The source said, however, that chances are slim for North Korea to accept the offer for the resumed nuclear commission business because he said they stick to the idea of resolving the nuclear and other issues pending between the two Koreas at a summit meeting. The Joint Nuclear Control Commission was formed on March 14 last year and had since held around 20 rounds of commission and chairmen's meetings, but failed to reach any accord. North Korea suspended the business of the commission and all other dialogue channels last January with the excuse of the '93 Team Spirit military exercise.

### Seoul To Propose Safeguards on UNSC Vetoes

SK0308074393 Seoul YONHAP in English 0633 GMT 3 Aug 93

[Text] Seoul, Aug. 3 (YONHAP)—South Korea, a victim of U.N. Security Council [UNSC] vetoes during the Cold War, will propose that the world body include measures to prevent the abuse of vetoes when it revises the structure of the council, the Foreign Ministry said



Tuesday. Korea is against increasing the number of permanent members and will suggest establishing a "third category" of countries without vetoes but with longer terms than the two years currently given to non-permanent members.

The proposals, South Korea's official comments on restructuring of the 48-year-old body, will be delivered to the Security Council on Wednesday. After months in a dilemma caused by sensitivity toward Japan's possible admission to the Security Council, Korea has settled on four major ideas.

It is against expanding the size of permanent membership of the Security Council, but it is for increasing non-permanent members on the principle of balanced regional representation, considering the number of countries in a region and its population. Apparently with Japan's bid for Security Council membership in mind, Seoul suggests that a third category be set up for countries that are able and willing to contribute to the world community but that this new category do not have veto rights, officials said.

Seoul was a Japanese colony for 35 years until the end of World War II, and the possibility of Japanese military and political expansionism will never pass unopposed. Although Seoul will not specify the number or term of members of this third group, officials said they were considering between five and 10 nations with terms of up to 10 years that are renewable an indefinite number of times.

"Another name for the group would be 'permanent members without veto power'," said Kum Chong-ho, director-general of the ministry's international organizations bureau. Another key proposal will be weakening the veto authority of the five permanent council members.

"We are happy to see that the Security Council, especially after the collapse of the Cold War, is resolving issues through negotiations and consensus," Kum said. "But we urge that the United Nations find long-term measures to prevent abuse of veto power in order to increase efficiency of the Security Council," he said.

South Korea was one of the victims of Cold War confrontation between the United States and Soviet Union. Its U.N. membership was vetoed more than once by the Soviets, staunch allies of North Korea. Seoul will not offer proposals for long-term measures, but it is expected to go along with other countries that suggest that at least two permanent members, not just one, must vote against a resolution for it to be vetoed.

#### **'Source' Views Possible Pyongyang Mission in U.S.**

*SK0308074093 Seoul TAEGU MAEIL SINMUN in Korean 2 Aug 93 p 1*

[Report by correspondent Chong So-hwan from Washington]

[Text] On 2 August, a U.S. international affairs institute source well informed on North Korean relations, who asked not to be identified, said that because last month's U.S.-DPRK talks held in Geneva progressed well, there is the high possibility that the issue of establishing missions between the two countries will be discussed at the next round of U.S.-DPRK talks.

This source said that if North Korea's nuclear issue comes to a satisfactory settlement, it may be possible for North Korea to establish a trade mission or liaison office in the United States which will be in charge of consular operations and economic work, sometime next year at the earliest.

This source also said that if North Korea and the United States normalize diplomatic relations, the United States will allot room for about 20,000 North Korean residents to emigrate to the United States each year [sentence as published].

This source pointed out that the issue of supporting the introduction of light water moderated reactors to North Korea by the United States, which both countries agreed upon in last month's U.S.-DPRK talks, is currently impossible to carry out because according to international law, it is impossible for the countries in question that have no diplomatic relations to carry out technology transfer of atomic energy. An enormous amount of money is also required. However, the reason that the improvement in relations between North Korea and the United States are being viewed positively is that when the United States agreed to support the introduction of light water moderated reactors to North Korea, it had in mind the normalization of diplomatic relations with North Korea—including economic cooperation.

The Export Control Committee, made up of Western countries including the United States, controls technology transfer to the communist bloc. It regulates that member states cannot conduct technology transfer of nuclear energy with countries with which it has no diplomatic relations. Moreover, an enormous amount of money is required to carry out such a technology transfer. The only way an economically weak country such as North Korea could receive a transfer of technology is if it received assistance, since it has no money.

#### **Seoul, U.S. Convene Security Consultative Meeting**

*SK0308020593 Seoul YONHAP in English 0121 GMT 3 Aug 93*

[Text] Seoul, Aug. 3 (YONHAP)—South Korea and the United States convened four committee sessions of the Security Consultative Meeting (SCM) in Honolulu on Tuesday to discuss the North Korean nuclear issue, defense cost sharing and technological transfer. The four are the Security Cooperation Committee, logistic cooperation committee, defense industry and technological cooperation committee and policy review subcommittee.



...ual technological cooperation on the basis of a broad agreement reached at the June and July meetings of the defense ministers of the two countries, they said.

## **Companies Increase PRC Trade Near DPRK Border**

*SK0308015093 Seoul THE KOREA HERALD in English 3 Aug 93 p 8*

[By staff correspondent Yi Kyo-kwan]

[Text] Dandong, Liaoning Province—Despite Chinese regulations restricting domestic sales by foreign investors to 30 percent of production, Kim Chae-yong, a South Korean socks manufacturer, has succeeded in selling all his products in China's domestic market by building a plant in the Chinese city of Dandong in 1990, which has already abolished such regulations.

Though the president of Kwangdeuk Textile Co. invested in the Chinese city to utilize such economic advantages as cheap but skilled workers, abundant natural resources and infrastructure, he was motivated by another strategy.

"I realized that to build a joint venture with a large Chinese company in Dandong rather than in any other Chinese city would help our company advance successfully into North Korea," Kim says.

Facing the North Korean city of Sinuiju across the Yalu River, Dandong has been a springboard for South Korean companies hoping to trade with or advance into the North because direct trade and investment between the two Koreas is still impossible.

The company is one of 30 South Korean businesses which have so far built plants in the Chinese city.

"Since setting up the plant, our company has concentrated on manufacturing products which have a competitive edge in both Chinese and international markets, until the day we can advance into North Korea," Kim says.

Thanks to such advantages as a cheap but skilled labor force, the company succeeded in exploring the huge Chinese domestic socks market by producing 200,000 socks monthly, the prices and quality of which are far more competitive than those made in South Korea.

...ation in the future, Kim says his company is prepared to set up a North Korean plant to produce a variety of textiles based on their already firm foothold in China's domestic market.

"If the Seoul government allows domestic businessmen to visit the North, I will examine the best investment site and then build a joint venture with a North Korean partner," Kim says.

Chang Yi, mayor of Dandong city, says that his city can be a stepping stone for South Korean companies hoping to trade with or advance into North Korea.

"If North Korea's nuclear issue is solved and South Korea pushes ahead with economic cooperation with the hard-core Communist country, our city will actively help South Korean companies successfully advance there," the mayor says.

South Korea has so far invested \$33 million in the Chinese city, making it the fourth largest investor after Japan, Hong Kong and Taiwan.

Recently, Korea's Oriental Brewery Co. agreed with the Dandong city government to set up a joint-venture plant with an annual production capacity of 60,000-kl of beer within the first half of next year, a company spokesman says.

"Our strategy is to secure our bridgehead to advance into North Korea. Once the plant is completed next year, we will focus our efforts on making inroads into the huge Chinese beers market," says Sin Ki-chol, an official of Oriental Brewery Co.

Also, Daewoo Motor Co., affiliated with Daewoo Business Group, is negotiating with the Dandong Automobile Factory for a joint venture to produce buses which will be sold in China or exported to third countries, Chang says. The conglomerate has shown stronger interest in advancing into both China and North Korea than any other Korean business group.

Beside these two companies, 10 other South Korean companies, including Najon Wool Textile Co., are expected to set up their plants in a Dandong economic development zone this year, the Chinese mayor says.

Dandong will soon complete the construction of the Border Economic Development Zone on 220,000 pyong



(one pyong equals to 3.3 sq. meters), Chang says. His city plans to lend the 10 South Korean investors apartment-type factories which will be built in the zone, he adds.

"In addition, we will also allow South Korean business investing here to purchase cheap but quality-good natural resources imported by a Dandong trading company from North Korea so that they can manufacture products which have a competitive edge in overseas markets," Chang says.

Because many large Korean businesses began activating their investments in Dandong like this, most Japanese businessmen are worried that Korean entrepreneurs may soon run the show in the city's economy, threatening Japanese companies operating there, he notes.

"Frankly speaking, the Dandong city government, as well as many business concerns here, want to reach joint-venture agreements with Korean rather than Japanese companies in the textiles, automobiles and service sectors," Chang says.

Meanwhile, Dandong will play a greater role in trade between Seoul and Beijing if the Korean Peninsula become unified, the mayor notes, saying that it will take about three hours from his city to Seoul by train.

Chang points out that a sea route between Dandong and the Korean southwestern port city of Kunsan was opened even before the normalization of diplomatic ties between Korea and China last August.

A sea route between Dandong and Korean western port city of Incheon is expected to be opened later this year, he says. And an air route linking Dandong and Seoul will likely be launched in the first half of 1994, he adds.

### **Editorial Urges Long-Term PRC Economic Ties**

*SK3107133793 Seoul MAEIL KYONGJE SINMUN in Korean 31 Jul 93 p 3*

[Editorial: "Direction of Economic Cooperation With China"]

[Text] ROK exports to China in the first half of this year amount to \$2.4 billion. This has rapidly increased by 143 percent and is taking the lead in ROK exports to foreign countries. China has emerged as the third leading importer of ROK goods behind the United States and Japan. It has imported even more goods from the ROK than Germany.

This is because China requires more goods to positively push ahead with its reform and market opening—which started in 1978—in the 1990s. This is because ROK-PRC economic cooperation has been earnestly developed due to the signing of a trade agreement and an investment guarantee agreement in 1992 and the establishment of diplomatic relations. ROK-PRC economic cooperation is also expected to be rapidly developed in the course of transferring technology to China in the

future, because the industrial structures between the two countries are very complementary.

China has emerged as an important market for our goods, but it intensely competes with our goods not only in foreign markets but also in domestic markets. Therefore, it is very difficult for the ROK to easily deal with China.

I believe that considering all these facts, we must not merely regard China as the only competing country in economic relations, but rather view it as a partner in a comprehensive manner based on competition, complementarity, and cooperation.

Chinese economic development started with the beginning of exporting intensive light-industrial goods to foreign countries as was done by the ROK in the past. Therefore, Chinese light-industrial goods cannot but compete with our major goods, such as textiles and shoes, in foreign markets. To make us more miserable, China has occupied our position in foreign markets as the competitiveness of our goods reduces due to workers' demand for high wages. We must, however, accept this situation as a result of our economic development and make efforts to develop high quality goods in the future in conformity with the people's standard of income. For this end, we need to coordinate the industrial structure.

Concerning trade items between the ROK and PRC, the ROK has exported industrial products such as steel, electronic, and chemical goods to the PRC while it has imported agricultural products, raw materials for textile purposes, and minerals from the latter. We therefore can say that their economic cooperation is very complementary. In addition, the recent increase in ROK investment in China has taken the form of a combination of ROK capital and technology and Chinese manpower and resources. In particular, these kinds of business activities have taken place in the small and medium-sized enterprises in the commercial and industrial fields. This phenomenon has been exhibited in the course of recently solving the problem of supplying agricultural products and of strengthening the competitiveness of the labor-intensive industrial products based on the high wage. Therefore, we cannot help being positive for this development.

There are, however, many difficulties in promoting trade exchanges with China. The most difficult point is that Chinese markets are very unstable. Because China must turn the controlled economic system into the market economic system in the future, and because it is in the process of converting the closed and self-sufficient economy into the open economy as a result of its expanded market opening, its demands for imports can be changeable according to its policy alteration. Therefore, its markets are unstable.

China has, however, a great potential for economic development and is a big market. U.S. economists who are studying China have recently assessed Chinese economic potential as greater than that of Japan. This



means that although China is a beginner in economic development, it will become a big market—probably bigger than Japan—once it earnestly begins its economic development after coordinating its economic system. Also, it can be developed into a major market for our goods as it accelerates its economic development. We must push ahead with economic cooperation with China on a long-term basis.

**KOTRA Plans Plant Exports Symposium in PRC**  
*SK0308094593 Seoul YONHAP in English 0843 GMT 3 Aug 93*

[Text] Seoul, Aug. 3 (YONHAP)—The Korea Trade Promotion Corp. (KOTRA) said Tuesday it will hold a Korea-China symposium and business talks on bilateral cooperation in the plant industry in China next week. Korea's Trade, Industry and Energy Ministry and China's Machine-Building and Electronics Industry Ministry will jointly support the Aug. 9-17 symposium, which is to focus on Korea's plant exports to China, according to KOTRA.

Korea needed to emphasize the export of raw materials and semi-finished products through sales of plant rather than simple end products in order to steadily increase exports to China, KOTRA officials said. "Although bilateral trade has been on the increase, the export of end products to China has its limits and China needs to cooperate with South Korea in the plant industry," an official said.

China wants to combine its vast labor power with advanced technology to develop its industry, and that is the reason it prefers Korean industry, which is both technology and labor intensive, to that of advanced nations, which is only technology intensive. Especially, China wants to learn South Korea's technology in manufacturing machinery, electronics and automobiles, KOTRA said.

**DLP Head Urges Law To Restrict Changing Parties**

*SK0308014893 Seoul THE KOREA TIMES in English 3 Aug 93 p 2*

[Text] Kim Chong-pil, executive chairman of the ruling Democratic Liberal Party [DLP], yesterday ordered the party to write a law which will strip national constituency lawmakers of Assemblymanship if they bolt from the parties which have elected them as lawmakers.

In a meeting of key party post holders at the DLP headquarters, Kim asserted, "If lawmakers elected under the current proportional representation system leave their parties, the new law should strip them of their Assembly seat automatically.

"It is unethical for national constituency lawmakers to try to retain their National Assembly seats even after they have changed their party affiliation," Kim said.

Kim instructed DLP floor leader Kim Yong-ku to write a law to that effect.

The DLP plans to pass a revision bill to the National Assembly Election Law at a special Assembly committee in consultation with the opposition Democratic Party [DP], floor leader Kim said.

DLP chairman Kim's instruction came as public criticism has been mounting for several national constituency lawmakers who changed their party affiliation after the presidential election last December.

Rep. Choe Yun-hyong, who bolted from the opposition DP to join the United People's Party [UPP] and help Chong Chu-yong's presidential bid, won one of the Assembly seats allocated to the UPP under the proportional representation system. But he bolted from the UPP to return to the DP after the presidential election, while retaining his Assembly seat.

Reps. Yang Sun-chik, Chong Chang-hyon and Choe Yong-han, all elected from the national constituency on the UPP ticket, left the UPP in a feud with Chong Chu-yong after his humiliating election defeat. They still remain independents.

Rep. Yi Kun-yong, a retired Army general hand-picked by Chong as a national constituency lawmaker, changed his party affiliation from the UPP to the ruling DLP after Chong's election defeat.

Rep. Kim Chong-in, a former presidential economic secretary, was forced to leave the DLP after he was arrested in connection with a bribery scandal. He retains his Assembly seat as an independent.

**Prosecutors Arrest Former Youth Sports Minister**  
*SK0208003893 Seoul THE KOREA TIMES in English 2 Aug 93 p 3*

[Text] Prosecutors arrested Yi Chin-sam, 57, former Army chief of staff and youth sports minister, Saturday on charges of breaking the Law on Punishment of Violent Acts in connection with terrorism against Yang Sun-chik, 67, vice president of the now-defunct opposition New Korea Democratic Party in the mid-1980s.

Investigators of the Seoul District Prosecutor's Office said they confirmed through overnight questioning that the Defense Security Command (DSC) wire-pulled political terrorism and that retired Army General Yi ordered his subordinate officers to stage terrorist acts against Yang in October 1986 while commanding the Army Intelligence Command (ACI).

Prosecutors said that it would also summon Yi Chong-ku, then DSC commander and former defense minister, for grilling him about his suspected involvement in the violent attack case against the leading opposition figure.



Former Defense Minister Yi has been jailed since last month, arrested for his complicity in the disputed irregularities in connection with selection and acquisition of weapons and equipment under the long-term Yulgok military buildup programs.

Prosecutors said it was possible that a ranking DSC officer could have stood behind the terrorism in consideration of the fact that Han Chin-ku, a retired Army brigadier general and then chief of the AIC's Division Three, informed Yi Chin-sam that he had received from a list of target figures from then DSC intelligence director Pak Tong-chin, 55, a retired Army major general.

But investigating prosecutors said that they would make a decision on time of summoning Yi Chong-ku after gathering ample circumstantial evidence as Pak fled to the United States June 10 well before probes into the terrorism scandal began.

The law-enforcement authorities will therefore focus their utmost on finding Han, president of Namsongdae Country Club, who is still at large, while looking for measures to forcibly bring Pak home from the U.S., according to a senior prosecutor.

Prosecutors will interrogate Yi Chin-sam about how far the DSC implicated itself in the terrorism, the chances that other agencies were involved in the case, the identity of suppliers of funds for the terrorist activities and the possibility that it was plotting more political terrorism.

Prosecutors alleged in an arrest writ that former AIC chief Yi Chin-sam instructed Han to go ahead with the scheme to terrorize Yang after hearing from him at the AIC headquarters in southern Seoul in April 1986 that Pak picked up Yang as a target for terrorism.

Han then ordered his man Army Lt. Col. Yi Sang-pom to attack Yang, prosecutors said.

Prosecutors said they also found that Yi Chin-sam ordered Han to break into the house of then opposition leader Kim Yong-sam ordered Han to break into the house of then opposition leader Kim Yong-sam to steal documents usable for political maneuvering against the opposition party.

But the prosecution added that it decided not to charge Yi Chin-sam with theft mainly because the period for a valid legal action for such crime had already expired.

### **Transport Official Denies Airline Merger Plans**

*SK3107065993 Seoul YONHAP in English 0533 GMT 31 Jul 93*

[Text] Seoul, July 31 (YONHAP)—The Transportation Ministry denied Saturday that Minister Yi Ke-ik had said the government would study the possibility of merging the nation's two civilian air carriers—Korean Air (KAL) and Asiana Airlines. The denial was issued by Chong Chong-hwan, director general of the Ministry's Aviation Bureau, who attended a hearing with Yi of the National Assembly Transportation and Communication Committee at which the remarks were reported to have been made Friday.

Chong said that Yi had told the committee that the government would study plans for the airlines to strengthen their cooperation and reexamine the basic government aviation policy with regard to international routes. Yi was responding to several leading questions about whether the government was prepared to merge the two airlines in view of the business losses being accumulated by them because of overheated competition, Chong said.

Since Rep. Yang Sun-chik and other committee members asked the question and Yi's answer included "study," misunderstanding and misconstruction of the sentence must have been wrought around that word, Chong said. What Yi had said the ministry would study was the plan for strengthening cooperative relations between the two airlines and the government's international aviation policy, and not a merger, Chong said.

### **Exports Up, Profits Down for Petrochemical Companies**

*SK0308075593 Seoul YONHAP in English 0636 GMT 3 Aug 93*

[Text] Seoul, Aug. 3 (YONHAP)—Exports are up but South Korean petrochemical companies are in worse financial straits than last year because prices have dropped through the floor, the Trade, Industry and Energy Ministry said Tuesday. Exports of petrochemicals such as synthetic resin, synthetic fiber raw material and synthetic rubber grew 12.2 percent to 1,374 million U.S. dollars in the first half of the year from the same period last year.

Production was 3.49 million tons in January-June, up 8.1 percent from last year, and sales amounted to 3.53 million tons, depleting inventories by 5.6 percent. The domestic price of ethylene nosedived 14.9 percent, polyvinyl chloride (PVC), 8.4 percent, polypropylene, 7.4 percent and low-density polyethylene, 4.5 percent. Export prices fell an average 8 percent.



## **Brunei, Malaysia & Singapore**

### **Brunei**

#### **Sultan, Malaysia's Mahathir Discuss Border, Spratlys**

*BK0208133393 Kuala Lumpur Radio Malaysia  
Network in English 1300 GMT 2 Aug 93*

[Text] Malaysia and Brunei will set up a joint border committee to settle problems involving their common boundary. This was agreed upon during talks today between the prime minister, Datuk Sri Dr. Mahathir Mohamed, and the Sultan of Brunei at Bandar Seri Begawan. Foreign Minister Datuk Abdullah Ahmad Badawi told reporters that the prime minister also had a separate private meeting with the sultan for 45 minutes. Border problems affecting Malaysia and Brunei mainly pertain to Limbang, Sarawak and the exclusive economic zones. However, these issues were only superficially dealt with during today's talks.

Datuk Abdullah said both sides also discussed overlapping claims by several countries over the Spratly Islands. They agreed that problems arising from the claims should be resolved through negotiations.

He pointed out the meeting emphasized the need for Malaysia and Brunei to continue cooperating in all aspects and resolve problems through negotiations. The move to establish a Malaysia-Brunei joint commission is still outstanding since several matters need to be fine-tuned, including the terminology.

#### **Mahathir on Sending Troops to Bosnia**

*BK0308091093 Kuala Lumpur BERNAMA in English  
0727 GMT 3 Aug 93*

[From Mamat Ali]

[Text] Bandar Seri Begawan, Brunei, Aug 3 (OANA-BERNAMA)—Malaysia wants certain conditions before sending its troops to join the United Nations forces in Bosnia-Herzegovina, Prime minister Dr. Mahathir Mohamed said Tuesday.

Among the conditions were that the existing UN troops there be maintained and that adequate air cover and the necessary logistics be provided for the Malaysian troops, he said.

We do not want to send our troops there to be slaughtered, he told reporters here at the end of his three-day official visit to Brunei.

Dr. Mahathir was asked to comment on press reports yesterday that the UN had agreed to allow troops from three Organisation of Islamic Conference (OIC) countries—Malaysia, Pakistan, and Jordan—to send their troops to join the UN forces in war-torn Bosnia.

The OIC had earlier offered about 20,000 troops from member nations to serve in Bosnia. Of this, Malaysia had expressed its willingness to send 1,500 troops.

Dr. Mahathir said that if the UN troops which were already there withdrew from Bosnia and left Malaysian troops in the frontline to face the Serbs, Malaysia believed this was not [words indistinct].

If (the UN) wants us to go there, the UN must provide the air cover and logistics support and it cannot withdraw the UN troops which are already there because we will be there to help the UN save the Bosnians, not to attack or fight with the Serbs, he said.

He said Malaysia's aim in offering its troops was to [word indistinct] the Bosnians.

#### **Mahathir Ends Visit, Downplays Disputes**

*BK0308115093 Kuala Lumpur BERNAMA in English  
1008 GMT 3 Aug 93*

[By Mamat Ali]

[Text] Bandar Seri Begawan, Aug. 3 (OANA-BERNAMA)—Malaysia and Brunei will not allow minor disputes to become irritants in the relationship between the two countries, Prime Minister Dr. Mahathir Mohamed said Tuesday. Both countries did not believe in friction and whatever problems existed would be discussed in a friendly manner, he told a press conference at the end of his three-day visit to Brunei.

He said while there were overlapping claims by both countries over certain land and sea areas, there must be some basis for settlement. He added: And if we can agree on that basis, then we are well on the way to settling the problems. But, whatever it is, even if it takes a long time, we are not going to allow minor disputes to become irritants in our relationship. Despite having (these) problems, we will continue to be very good friends. Dr. Mahathir said the existing boundaries were drawn during the British colonial era and both sides were of the opinion that there exist overlapping claims which needed to be rectified.

During his meeting with Sultan Hassanal Bolkiah Monday, both sides agreed to enhance cooperation in various fields, including education, religion, and military.

On the military sector, we have agreed to use whatever common facilities available [words indistinct] suitable to both countries, he said.

### **Malaysia**

#### **Deployment of Troops in Bosnia To Begin in Nov**

*BK0308080093 Kuala Lumpur BERNAMA in English  
0726 GMT 3 Aug 93*

[Text] Kuala Lumpur, Aug 3 (OANA-BERNAMA)—Deployment of Malaysian troops for United Nations



peacekeeping duties in Bosnia-Herzegovina will begin in November, Defence Minister Najib Razak said Tuesday.

The soldiers would be serving under the United Nations Protection Force (UNPROFOR) to protect the designated safe havens in the war-torn former Yugoslav republic, he added. Najib said the soldiers would undergo between three and four months training before the deployment. He did not rule out the possibility that they would be trained outside Malaysia.

However, we have no clarification of the (UN) mandate. We have been told of our duty as peacekeepers and to ensure humanitarian assistance arrives at their destinations.

We want to know the (?definition) of peacekeeping and the rules of engagement ... We also want to know what peacekeeping role constitutes in Bosnia, he told newsmen after the Chilean Navy commander-in-chief, Admiral Jorge Martinez, called on him (?today).

Admiral Martinez, who is here on a seven-day official visit, arrived here Monday.

#### **ANC President Arrives, Addresses News Conference**

*MB0208202593 Johannesburg SAPA in English 1821 GMT 2 Aug 93*

[By David Greybe]

[Text] Kuala Lumpur Aug 2 SAPA—African National Congress (ANC) President Nelson Mandela on Monday night in Malaysia repeated his claim that South Africa's security forces were "deeply involved" in the latest killing spree on the East Rand. Mr Mandela was speaking on his arrival at the airport in Kuala Lumpur, on the second leg of a fact-finding and fund-raising trip which began in Taiwan four days ago.

He said it was a matter of great concern to the ANC that innocent people were dying on the East Rand. "But we must appreciate fully that the state security forces in our country are deeply involved in this matter," he told a press conference.

The negotiation process and the April 27 election were not in jeopardy because of the latest violence, Mr Mandela said. "We will not allow any political party or institution to derail this process."

Precautions had to be taken, instead of being idle on the issue, the ANC leader said. "We are confident we will be able to defend the negotiation process," he added.

There was no reason to think that the objective of the process, the April election, should not be achieved. "Very important victories" had been scored in negotiations over the past few years in spite of the ongoing violence.

"We have made the breakthrough in the sense we have now decided on an election date, notwithstanding the raging violence," which he claimed was aimed at preventing the election.

"If we allow sinister forces to succeed, we will be playing into their hands," Mr Mandela said.

The ANC would not allow the negotiation process to be held to ransom by anyone. The ANC's position was to try to persuade all political parties, "including those playing the role of spoilers", to return to and to remain at democracy talks.

It was not the first time that certain parties, which Mr Mandela did not name, "are trying to obstruct the process".

Mr Mandela said he and his delegation would during their two days in Malaysia visit schemes dealing with reconstruction and development, with South Africa's needs in mind. "A democratic government which is installed in our country will have to deal with these problems," he said.

The purpose of the Malaysia and Taiwan trip was to start preparing for an ANC-led government of national unity which would have to tackle such issues. "We need to exchange views with people with experience. Malaysia, we believe, has this experience."

Asked about the election campaign fund-raising aspect of the visit, Mr Mandela said: "We enjoy the support of the government and the people of Malaysia, and whatever resources they have I am sure they will share them with us".

#### **Mandela Confident of Scheduled Election**

*BK0308052393 Kuala Lumpur BERNAMA in English 0320 GMT 3 Aug 93*

[Text] Kuala Lumpur, Aug 3 (OANA/BERNAMA)—African National Congress (ANC) President Nelson Mandela is confident that the first non-racial South African election will take place as scheduled on April 27 next year. He said the ANC would not allow anybody or political [words indistinct] breakthrough had been made in deciding the date for the election. If we allow the sinister forces to succeed by postponing the election, then we will be playing into their hands, he told reporters on arrival at the airport here Monday night.

The 75-year-old anti-apartheid leader is here for a two-day working visit during which he would brief Prime Minister Dr Mahathir Mohamed on the political development in South Africa.

Despite reports of continued violence in South Africa, Mandela said there was no need to think that the objective of having the election would not be achieved.

We're confident we will continue to maintain the progress [word indistinct] we're now mobilising the democratic process of our country for this stage, he said.



Mandela said the ANC would try to persuade all the political parties including those which are playing the role of spoilers to prepare for the election. "The election would give more than 19 million people the opportunity to vote, he said.

Mandela is scheduled to have a four-eyed meeting with Dr Mahathir before leaving for home early Wednesday.

Asked if the ANC expected to receive any assistance here to contest the election, Mandela chuckled: that you should be able to tell me but he said the ANC had enjoyed the support of Dr Mahathir, the government and the people of Malaysia.

### **Official Cites Investment in Muslim Countries**

*BK0208091893 Kuala Lumpur BERNAMA in English  
0848 GMT 2 Aug 93*

[Text] Kuala Lumpur, Aug 2 (OANA-BERNAMA)—Egypt has received RM [Malaysian ringgit] 20 million [amount in the U.S. dollar indistinct] in investments from Malaysian companies between 1991 and 1992, Parliamentary Secretary to the Ministry of International Trade and Industry S.S. Subramaniam.

Other Muslim countries which had received Malaysian investment were Indonesia RM 10.8 million (about U.S. \$4.32 million), Jordan RM 4.5 million (about U.S. \$1.8 million), United Arab Emirates RM 1.1 million (about U.S. \$440,000), and Brunei RM 2.8 million (about U.S. \$1.12 million).

He said Monday here that it was the government's policy to encourage Malaysian companies to invest in Muslim countries in view of the big trade potential and similarity in ideology.

Subramaniam said most Muslim countries, particularly the new republics of the Commonwealth of Independent States (CIS) were restructuring their economies and this afforded good trading opportunities to Malaysia.

## **Singapore**

### **Deputy Premier To Run in Presidential Election**

*BK0308093893 Singapore THE STRAITS TIMES in  
English 3 Aug 93 p 1*

[Excerpt] Mr. Ong Teng Cheong has decided to run for the post of president of the Republic of Singapore. His nomination will be backed by grassroots unionists who say that Mr. Ong, who has led the labour movement for 10 years, is the best man for the presidential task of protecting the nation's financial reserves, made up largely of workers' CPF [Central Provident Fund] savings.

Under the constitution, Mr. Ong, 57, will have to resign by nomination day as deputy prime minister, chairman of the People's Action Party and MP for Toa Payoh GRC [Group Representation Constituencies].

If elected, he will also have to step down as secretary-general of the National Trades Union Congress (NTUC) and chairman of the Singapore Labour Foundation.

The date of Singapore's first-ever presidential elections has yet to be announced, but it must be held before 1 September, when President Wee Kim Wee steps down.

Mr Ong's candidature was announced yesterday afternoon by the NTUC, ending months of speculation. But the move also raises a flurry of questions over who will take over his various hats and whether the Government will call a by-election in Toa Payoh GRC or wait until the next general election to fill his seat.

Mr. Chan Heng Wing, press secretary to the prime minister, said Mr. Goh Chok Tong would respond to the NTUC announcement in due course.

The main opposition parties said yesterday that they would not be putting up candidates in the election.

But Nominated MP Chia Shi Teck told THE STRAITS TIMES last night that he would stand, if nobody else does, forcing an election to ensure that the president is someone who has gone to the people for a mandate.

NTUC Chairman Oscar Oliveiro said: "We are very confident." At a press conference at Trade Union House in Shenton Way yesterday afternoon, Mr. Oliveiro and 14 other grassroots unionists who make up the non-political element of the NTUC Central Committee were on hand to endorse their leader. Although Mr Ong's departure would be a great loss to the labour movement, it was for the benefit of the whole nation, they said.

The NTUC statement said "As the elected president is entrusted with the responsibility to safeguard the country's reserves, a significant proportion of which are workers' savings in the CPF, it is important to have as president a person who understands and empathises with workers."

The NTUC has set up campaign steering committee chaired by Mr. Oliveiro. No union funds can be used for election spending, which is capped at [Singapore dollar] \$600,000 per candidate.

Mr. Ong was an architect before he entered politics in 1972. He held the communications, culture and labour portfolios before becoming NTUC secretary general 10 years ago. He has been a deputy prime minister since 1985.

Last year, he was diagnosed as having a low-grade cancer in his throat. Because it was slow-growing, he decided not to seek treatment but to adopt the wait-and-see approach suggested by his doctors. At yesterday's press conference, his backers dismissed fears about his health, saying he was very active and unaffected by his illness. [passage omitted]



## Cambodia

### U.S. Military Delegation Visits 31 Jul

*BK0208140793 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1200 GMT 2 Aug 93*

[Text] A high-ranking U.S. military delegation led by His Excellency [H.E.] Frank Wisner, U.S. under secretary of state for defense, arrived in Phnom Penh on 31 July for a visit to Cambodia. This is the first visit to Cambodia by a high-ranking U.S. military delegation after the formation of the Provisional National Government of Cambodia.

Greeting the delegation at Pochentong Airport were H.E. General Nhoek Bunthai, first deputy chief of staff of the Cambodian National Armed Forces [CNAF]; and many other high-ranking military officers from the CNAF General Staff Department.

The delegation was warmly welcomed by H.E. Gen. Tie Banh, deputy defense minister; and H.E. Gen. Tie Chamrat, deputy defense minister.

Speaking on the occasion, the two deputy defense ministers informed the guests of the current developments and expressed their confidence that members of the National Assembly established after the elections would be able to draft a constitution for Cambodia within the near future. Concerning military matters, Their Excellencies, Generals Tie Banh and Tie Chamrat, stressed that a national army is being formed and that this arrangement is expected to be completed not later than the end of August. They also lay stress on some important and urgent issues concerning the establishment of this national army, including the problems of uniforms, salaries, and [words indistinct].

On his part, H.E. Frank Wisner expressed his delight over the developing peace process in Cambodia. He said that the United States wants to be a staunch friend of Cambodia and that all Cambodian problems should be settled by Cambodians themselves. He also thanked Cambodia for assisting the search for the remains of U.S. soldiers missing in action in Cambodia. He expressed the hope that the two countries would have good cooperation in the future.

After giving a brief press conference to local and foreign journalists at Pochentong Airport, the high-ranking U.S. military delegation led by H.E. Frank Wisner left for home.

Seeing the delegation off at the airport were H.E. Gen. Nhoek Bunthai, first deputy chief of staff; and many other military officers from the Defense Ministry.

### SPK Cited on Cochairmen's Visit to Laos

*BK3007145193 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 30 Jul 93*

[Text] According to SPK, the delegation of the Provisional National Government of Cambodia [PNGC] led by Prince Kromluong Norodom Ranadiddh and His Excellency [H.E.] Hun Sen, PNGC cochairmen, visited Luang Prabang Province in the northern part of Laos on the afternoon of 29 July within the framework of its official visit to Laos. H.E. Somsavat Lengsavat, foreign minister of the Lao People's Democratic Republic, accompanied the Cambodian delegation during the visit.

At a reception held at the Phouvao Hotel, Prince Kromluong Norodom Ranadiddh told the provincial leaders that Cambodia and Laos have been closely linked through the time-honored relations of friendship between the two countries. The prince pointed out that the new Cambodian Government would continue to strengthen the relations of amity with all the neighboring countries, including Laos which has given constant support to the Cambodian people—notably in the peace process within the framework of the Paris accord. Prince Kromluong Norodom Ranadiddh highly valued the achievements scored by the Lao party and government in the implementation of the policy to restore the Lao economy.

The Cambodian delegation visited cultural and historical centers as well as the textile factory in the Luang Prabang provincial town, which is the former Lao capital city and which has now become an important tourist site of the country.

At a reception hosted by the provincial governor in honor of the Cambodian delegation, H.E. Hun Sen thanked the Lao Government, particularly the provincial authorities for their warm welcome. [passage indistinct] H.E. Hun Sen recalled the history of the fine friendly relations established by the kings of the two countries many centuries ago. The excellency added that the visit to the Lao fatherland, particularly Luang Prabang, by Prince Kromluong Norodom Ranadiddh and the Cambodian royal family members has recalled the traditional relationship between Cambodia and Laos.

The PNGC cochairmen and entourage returned to Vientiane on the afternoon of 30 July.

A joint communique will be issued and signed on the morning of 31 July at the end of the Cambodian delegation's visit to Laos.

### Khmer Rouge Attacks UN Boats on Mekong River

*BK0208113693 Hong Kong AFP in English 1047 GMT 2 Aug 93*

[Text] Phnom Penh, Aug 2 (AFP)—Khmer Rouge guerrillas have ambushed four U.N. vessels travelling on the



Mekong river, the U.N. spokesman said Monday. The vessels, with U.N. peacekeepers aboard, were passing a Khmer Rouge checkpoint as they travelled from Cambodia's Kratie province to northeastern Stung Treng when the guerrillas opened fire, spokesman Eric Falt said.

The U.N. landing craft, on the way to retrieve equipment belonging to the Uruguayan battalion who were scheduled to leave Cambodia later this month, passed the checkpoint and then decided to turn back. The convoy was hit when it was about midway between the provincial towns of Kratie and Stung Treng. They came under fire again as they passed the radical Marxist faction's post for a second time.

"UNTAC (U.N. Transitional Authority in Cambodia) navy returned fire during the second attack with about 150 rounds of small arms fire and a rifle grenade," Falt said. There were no U.N. casualties reported.

"There are, however, indications that one NADK (Khmer Rouge) soldier might have been killed," he said.

#### **Suspected Khmer Rouge Attack Train, Kill 10**

*BK0308030993 Hong Kong AFP in English 0250 GMT  
3 Aug 93*

[Text] Phnom Penh, Aug 3 (AFP)—Suspected Khmer Rouge guerrillas have again attacked the train from Sihanoukville to Phnom Penh, killing 10 and injuring 30, a U.N. spokesman said Tuesday. The attack came in broad daylight Monday afternoon, when 30 unidentified men opened fire on the train travelling 20 kilometers (12 miles) northeast of Kampot—near the same place it has been attacked two other times this year.

"They put some mines on the tracks, fired on the train with AK-47s, mortars and rockets," Falt said.

The French battalion of U.N. peacekeepers arrived at the scene 15 minutes later to find 10 people dead and about 30 injured, the spokesman said. The injured were taken to the Cambodian hospital in Kampot with the help of Red Cross workers and U.N. civilian police, he said.

The train had been attacked on July 23, and several people were injured by gunfire or by jumping from the train to escape the attack. The same train was also attacked in the same area and several people killed on the eve of the U.N.-run elections in May.

Last week, the Khmer Rouge blew up 30 meters (yards) of track on the northwest train line between Battambang and Sisophon, after having destroyed another stretch of track south of there earlier in the week, grinding train service to a halt.

#### **Suspected Khmer Rouge Shell Siem Reap Airport**

*BK0308095093 Hong Kong AFP in English 0942 GMT  
3 Aug 93*

[Text] Phnom Penh, Aug 3 (AFP)—Suspected Khmer Rouge guerrillas shelled Siem Reap airport again on Tuesday, a U.N. spokesman said. The airport used to receive thousands of visitors going to the Angkor temples, but the tourist industry has been abandoned following a number of Khmer Rouge attacks on Siem Reap since May.

The three mortar shells were fired from an area with a Khmer Rouge presence northeast of the airport, spokesman Eric Falt said. They landed 300 meters (yards) from the runway, but did not cause any damage, he said.

#### **UN Accuses Thais of Allowing Khmer Rouge Attack**

*BK0308125693 Hong Kong AFP in English 1039 GMT  
3 Aug 93*

[By Sheri Prasso]

[Text] Phnom Penh, Aug 3 (AFP)—The U.N. Transitional Authority in Cambodia (UNTAC) said Tuesday it was sticking by its story that the Thai military allowed the Khmer Rouge to attack and detain U.N. peacekeepers from its territory. The assertion came as Thai military officials in Bangkok came up against the UNTAC version, claiming that rather than standing around videotaping the event—as U.N. spokesman Eric Falt said—the Thai soldiers tried to help the [words indistinct] on Cambodian soil.

"We'll respond to that (denial) in a couple of days," he said, adding that UNTAC was compiling proof of the incident before making any more public statements.

The 21 peacekeepers detained Sunday by the Khmer Rouge and released to the Thai military at a camp 40 kilometers (25 miles) inside Thailand were flown back to the northern Cambodian province of Preah Vihear on Tuesday, Falt said.

"There has been good cooperation with the Thai authorities in bringing them back," Falt said.

According to the UNTAC version, the attack on the U.N. border position started when a group of some 50 Khmer Rouge guerrillas who were attacking an adjacent government position turned their guns on the peacekeepers. During a lull in the fighting three U.N. military observers, from China, France and Britain, along with a Cambodian interpreter, drove across the border to escape into Thailand, Falt said. They were stopped by a group of Khmer Rouge guerrillas who told them the peacekeepers must leave.

The U.N. military observers along with 16 Pakistani soldiers, the interpreter and an Australian signalman



then drove back into Thailand but only [word indistinct] 200 meters (yards) when guerrillas blocked their passage with a landmine.

The Khmer Rouge "then began an attack ... from both the Thai and Cambodian sides of the border. There was no Thai intervention although there were Thai military elements at the scene," Falt had said Monday.

When the fighting ended the peacekeepers were allowed to go back to their base to collect their belongings but when they got there, the guerrillas, who had looted the base, stole their vehicles, he said. The peacekeepers returned to Thailand on foot where they were detained by the Khmer Rouge before being handed over to the Thai military later in the evening, Falt said.

In Bangkok, Thai General Charan Kunlawanit reacted angrily to UNTAC's version, saying that it was Thai soldiers who had negotiated the release of the peacekeepers who had been detained on the Cambodian side of the border. The peacekeepers had crossed into Thailand to escape the shelling and were captured by the Khmer Rouge when they ventured back to collect their belongings, Charan said.

The United Nations "should investigate the whole incident thoroughly before making any statement," he told reporters in the Thai capital. "I would like to make it clear again that we have contacts with the Khmer Rouge but we don't support them," he said.

## Philippines

### Ramos Views Defense Relations With U.S., ASEAN

HK0208151793 Manila DZXL Radio Mindanao Network in Tagalog 0635 GMT 2 Aug 93

[Weekly news conference by President Fidel V. Ramos with unidentified foreign and domestic correspondents at Malacanang Palace in Manila—live, in English]

[Excerpts] [Correspondent] Good afternoon, Mr. President. Undoubtedly, peace and order play a vital role in the country's journey towards political stability and economic prosperity. Do you agree with the assessments made by the military that the problem of the insurgency will be licked before the year is over?

[Ramos] The military, I do not recall, has made that assessment because it's not just the military that must make a declaration of that nature since we analyze insurgency to be not a military problem but a national problem that is rooted in the basic root causes of poverty, injustice, ignorance, corruption, criminality, overcrowding in many areas, and also the inequitable distribution of wealth in our country. So, the assessment is there in the state-of-the-nation address. Kindly refer to it. I do not want you to spend so many hours on that since that's already a well-known statement. But, all the answers are there.

[Correspondent] Follow-up, Mr. President. Given the situation that your government is truly democratic unlike the repressive regime of the former strong man [Marcos], do you agree with the view of the senators who said that the slow delivery of basic services is the main cause of today's insurgency?

[Ramos] That is among the special items of concern that we derived from the countrywide consultations undertaken by the National Unification Commission under my instruction. As you remember, they went to the 15 regions and came up with a summary report that, when piled one on top of the other, became as tall as Jess Sison [presidential spokesman], who is tall enough. Indeed, that is one of them. But it is not only slow but also inadequate services. And again, this arises out of the basic causes of insurgency, which are the poverty of the Filipino family, poverty of the Philippine Government, and poverty of the nation as a whole, to start with.

[Correspondent] Mr. President, you have asked that private armies be dismantled by September 9. How will you achieve this? How will you do what several administrations before you failed to do?

[Ramos] Yes, but in this case the president is different. There's a whole program that consists not only of military solutions. That, in fact, is just the cutting edge of it. Insurgency and criminality are, as I said in my state-of-the-nation address, two sides of the same coin. And they arise from the same root causes. And they must be addressed with the same integrated approach of political action. That's where we come in here. And this is where we ask the governors, the city and municipal mayors, the barangay [smallest administrative entity] chairmen, and all the officials with them to also take action—this is not just the job of the police—and then social justice, again the delivery of services, and the equitable and speedy administration of justice; and then political stability, all supported by the military and the law enforcement community. So, that's the formula; and, as I said, I am sorry we do not have time to discuss all of that. But each department at each level down to the barangay council must have a plan of action because they have to implement a certain portion of the entire program. But the entire program is well spelled out in the state-of-the-nation address. [passage omitted]

[Correspondent] Mr. President, two weeks ago you met with Mr. Wisner here in Malacanang. May we know, Mr. President, the issues raised by Mr. Wisner during that meeting.

[Ramos] He confirmed the wish of President Clinton to have me in the U.S. as an official visitor of the Clinton government. He also said that defense cooperation in the Asia-Pacific area is very necessary; and you will recall that I have been advocating this for quite a bit of time now, especially during my presidency, in view of the fact that the Philippines is the only country in ASEAN that continues to have a mutual defense treaty with the United States. Now, that is his area now. He is now the



under secretary of defense. But of course that is intertwined with the entire spectrum of Philippine-U.S. relations.

I also reminded him that, on the part of the Philippines, we continue to keep alive the bilateral relationship on military cooperation because under the Mutual Defense Treaty there is a mechanism that exists so that dialogues and joint planning continue. This is the Mutual Defense Board.

We have also announced previously that I have authorized the chief of staff of the Armed Forces, General Abadía, who is the Philippine cochairman of the RP [Republic of the Philippines]-U.S. Mutual Defense Board, to proceed to Guam for the regular meeting of the Philippine-U.S. Mutual Defense Board. In this place he will be meeting with his counterpart, the commander in chief of the Pacific, Admiral Larson. And so these are opportunities for giving life to that existing relationship which did not phase out with the rejection of the proposed Treaty on Friendship, Cooperation and Security, which was not accepted by the Philippine Senate.

[Correspondent] Sir, what about the China issue? Was it raised during the meeting?

[Ramos] This is part of the defense cooperation, which includes exchanges of views, exchanges of information about the region as a whole. [passage omitted]

[Correspondent] Sir, here's a follow-up question on the security issue. Sir, the Association of Southeast Asian Nations appears to be on its way towards the formation of a new regional security alliance.

[Ramos] No, no, no. It's not an alliance.

[Correspondent] Appears to be on its way, sir.

[Ramos] No, it's not even that, because it is really dialoguing and consultation.

[Correspondent] Sir, as one of its respected leaders, what would you suggest should be the alliance or an arrangement workable for the region?

[Ramos] I am not a prospective leader. I am a leader.

[Correspondent] I said respected leader, sir.

[Ramos] Okay, sorry. Sorry, Joel. It was noisy here. [preceding sentence in Tagalog] Defense cooperation, probably, is the best term at this time and that is what has been suggested by many, say, three, four, five years ago. Even if there were no formal discussions of this within the ministerial sphere of the ASEAN meetings but by think tanks only. But now, really, the foreign ministers have put it into their formal agenda which, to me, is very very encouraging. In fact, I have already put out my statements on this, largely echoing what was said by Secretary Romulo. The important thing to remember here is that ASEAN exists primarily as a political and economic alliance among, first, five nations; now we

have Brunei with us and we have the so-called accession arrangements for other countries to come in. These, however, are step-by-step processes and ASEAN is still going through them. [passage omitted]

### **World Bank Extends Loan to Subic Authority**

HK0308024093 Manila THE MANILA CHRONICLE  
in English 3 Aug 93 p 11

[Report by Maricor Zapata]

[Text] The World Bank [WB] has offered to finance the development of some infrastructure facilities in the Subic Bay Freeport Area through a soft loan of \$20 million to \$30 million, Richard J. Gordon, chairman and administrator of the Subic Bay Metropolitan Authority (SBMA), disclosed yesterday.

Speaking before Filipino and other Asian investors in an investment forum held at Shangri-La Hotel Makati on the business opportunities in Subic, Gordon said among the infrastructure facilities that the WB wants to see developed are some more roads, waste water treatment facilities, sewerage systems, and an instrument landing system (ILS) for the Subic International Airport.

Gordon said the details of the loan offer are yet being negotiated with the SBMA. But he clarified the WB has been "so impressed" with the way the former U.S. military base in the Philippines is being developed.

Gordon said that aside from the \$20 million to 30 million loan being offered by the WB for the infrastructure development, the multilateral financial institutions has likewise offered some \$500,000 for a masterplan for the infrastructure development.

Moreover, he added, the Asian Development Bank (ADB) has also allotted \$650,000 for the drafting of another masterplan for Subic.

The ADB financing will be in the form of a soft loan, Gordon said.

Inviting more local and foreign investors to come, Gordon envisions the development Subic into the investment hub not only of the Philippines but of Asia.

The former Olongapo mayor has just arrived from an official tour of the United States to attract American companies to invest in Subic.

SBMA records show that there now 24 private corporate investments in Subic, all approved as of July 13, 1993, though some are yet to operate within the year.

Fifteen of these investments are owned by Filipinos, the rest by Singaporeans, Malaysians, Americans, Australians, Taiwanese, and Hong Kong nationals.

These companies have brought into Subic some P8.88 [Philippine pesos] billion worth of investments and 10,334 jobs.



Gordon said the SBMA has received at least 272 serious proposals from investors of varied interests and over 2,000 letters of interest and inquiry.

Among the major attractions being offered by the Subic Freeport are: a 5

tax on gross income and allowable deductions on: direct salaries, wages and labor expense, cost of goods sold, production supplies and fuel, depreciation or lease payments, financing charges on fixed assets, and rent and utility charges.

### **MNLF Admits Bombing; Marines Launch Offensive**

*HK0308003293 Manila Manila Broadcasting Company  
DZRH in Tagalog 0800 GMT 2 Aug 93*

[Passages in italics in English]

[Text] A group of Muslim bandits linked to the Lost Command of the Moro National Liberation Front [MNLF] today claimed responsibility for the bombing last night in Zamboanga City, where six street vendors were injured.

Chief Superintendent Job Mayo Junior, chief of the Philippine National Police [PNP] Regional Command 9 in Zamboanga City, said a certain Angolin Sali entered the PNP radio frequency to say his group had exploded the grenade at the Fort Pilar Shrine.

General Mayo said Sali is facing robbery and murder charges and is considered a bandit in Mindanao.

General Mayo said the MNLF was also responsible for two more bombing incidents in Zamboanga City. It is believed the explosions were the Muslim rebels' retaliation for dispersal operations mounted by the Philippine Marines against a rebel training camp in the Zamboanga mountains.

Here is part of General Mayo's statement:

[Begin recording] *We think this is to call attention to their demand that they not be touched in the mountains, because in the last few days big MNLF and Lost Command groups were under training there. People complained because of their excessive extortion. So, the Marine Brigade decided to disperse them. That is what they are doing now: creating trouble so they would not be dispersed.* [end recording]

PNP-CIS [Criminal Investigation Service] Command chief General Angel Quizon ordered an immediate investigation into the series of explosions in Zamboanga yesterday. The directive came after the Lost Command in Basilan warned it would intensify its terrorist operations.

This is if the government does not withdraw its forces monitoring their activities. According to reports, the

rebels' last bombing target was the Fort Pilar Shrine in Zamboanga City. Five persons were injured in the incident.

The Marines, on the other hand, have launched a large-scale offensive in Basilan against the Lost Command who launched the series of bombings in Zamboanga City.

For details, here is the report of Rodney Jaleco of DZRH Unit Number 1. Rodney, please come in.

[Begin recording] The Marines today launched an offensive in Basilan where Lost Command leaders allegedly held a big meeting, under the Abu Sayyaf group, and as a reaction by the military to the bombings in Zamboanga City and Basilan.

A source at the headquarters of the Southern Command [Southcom] in Zamboanga City said some 400 members of various Lost Command groups were allegedly attending a meeting in Lantawan town: the reason they launched the bombings was to avoid being arrested.

Southcom spokesman Commander Arturo Alviar said the offensive led by the 3d Marine Brigade that started at dawn today cannot be stopped because criminality in Basilan has become rampant. This includes the recent kidnapping of 11 jeepney passengers stopped in the town of Isabela, including two children who were seriously ill and needed to be brought to the hospital.

Alviar said the bombing of the Fort Pilar shrine in Zamboanga City last night is part of the Lost Command's efforts to force the government to stop its operations in Basilan, although he refused to confirm the report that a top-level Lost Command meeting took place in Lantawan. Alviar said the Marines will continue the operation to bring peace back to the area. [end recording]

### **Rebels Threaten Hostages**

*HK0308100093 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 3 Aug 93*

[Text] The Moro National Liberation Front's Lost Command will kill 14 of its Christian hostages should the military continue with its ongoing offensive against Muslim rebels in Basilan. Zamboanga City Mayor (Vitaliano Agan) confirmed this during an interview with DZMM early this morning, saying that (Jule Ilang's) group already has sent an emissary, who delivered the group's threat to kill their Christian hostages. Meanwhile, the military continues to carry out its offensive against Muslim secessionist groups in Lantawan, Basilan. Mayor (Agan) has given assurances that the situation in Zamboanga now is under control and that security around the city has been tightened to ensure public safety.



## Thailand

### Official: U.S. 'Satisfied' With Copyright Effort

*BK0308044493 Bangkok Radio Thailand Network in English 0000 GMT 3 Aug 93*

[Text] Deputy Prime Minister Suphachai Phanitchapak says the United States is satisfied with Thai Government efforts to suppress copyright violations. The deputy prime minister led a delegation to the United States for talks with U.S. Trade Representative Mickey Kantor last week. He says the United States has praised Thailand for the continued crackdown on copyright violations. The two sides agreed to form a bilateral committee to consider Thailand's copyright draft bill, which will be submitted to the Parliament for consideration as soon as possible.

Suphachai says the United States said earlier it will decide on 31 July whether to impose trade sanctions against Thailand for intellectual property rights violations. The United States has postponed the move so far, however. The U.S. trade representative will propose the removal of Thailand from the Priority Foreign Country List. The decision is expected on 30 August.

### Daily Discusses U.S. 'Demands' Regarding APEC

*BK0308100693 Bangkok THAI RAT in Thai 3 Aug 93 p 7*

["Page 7 Report" by Suphika Yimlamai: "Exposing Dirty U.S. Plan To Pressure Thailand To Accept APEC"]

[Text] The return from the United States of Deputy Prime Minister Suphachai Phanitchaphak on 30 July demonstrates the current government's negotiation prowess. The United States has given the Thai Government another 30 days before removing Thailand from the Priority Foreign Country (PFC) list while keeping it on the Priority Watch List (PWL).

In addition to the trip's success, Suphachai assured that what Thailand has gained is worth what it has to give up. He also noted that what Thailand has to give up is within the country's capability. Thailand agreed to an additional U.S. demand of reducing film duties. However, this new demand has nothing to do with protection of intellectual property, the issue which caused Thailand to be placed on the PFC list to face trade retaliation in accordance with Article 301.

This clearly shows that the United States does not just want protection of intellectual property, which should reduce its trade deficit, but it also wants to open up a foreign market for its other products in fields which will yield great profits as well, including the film, banking, insurance, and tourism sectors.

The United States observed that Japanese, Korean, and Taiwanese investment in Thailand is greater than in the United States because Thailand gives extra privileges to

those countries as a result of their financial assistance to Thailand. In addition to this observation, the United States also discussed with Thailand cooperation in strengthening APEC, or the Asia-Pacific Economic Cooperation. It asked Thailand to support the United States' proposals on APEC, particularly on formulating an APEC agreement on trade and investment for which it will seek approval during the APEC meeting it will host at the end of this year.

It is believed that approval by APEC—whose membership spreads all over the world including the United States, ASEAN, East Asian countries, Japan, Korea, Taiwan, and Australia—is part of the scheme to open a second world trade forum in addition to GATT, whose membership includes more than 100 and whose negotiations have been difficult to conclude.

If the 15 APEC countries approve the U.S. services trade accord, it will be easier for the United States to open its markets in ASEAN areas and Japan without having to rely on GATT. The U.S. bargaining power against the EC in GATT will also strengthen.

The efforts to achieve a greater APEC role in services trade and investment than the previously loose framework clearly demonstrate the U.S. vision of APEC. President Bill Clinton has been trying to persuade APEC leaders to attend the APEC meeting and has asked Thai Prime Minister Chuan Likphai to lobby for attendance by the Malaysian prime minister during their upcoming meeting in Bangkok.

As an APEC member and an ASEAN leader, Thailand must set a clear direction regarding the extent to which it is ready to open up its services trade. At least it will show that Article 301 must not be used against Thailand regarding its compliance with the unending U.S. demands in areas not related to intellectual property issues.

### Official: Cambodian Border Checkpoints To Open

*BK3107082393 Bangkok Voice of Free Asia in Thai 1030 GMT 30 Jul 93*

[Text] Thailand will open checkpoints on the Thai-Cambodian border in Surin Province for transportation of timber into Thailand.

Don Poramatwinai, director general of the Foreign Ministry's East Asian Affairs Department, stated on 29 July that Thailand will open border checkpoints in Surin Province to transport timber from Cambodia. The opening of the border checkpoints will be made at the request of Prince Kromluong Norodom Ranariddh, cochairman of the Cambodian Provisional Government. The process will have to go through checking and control by the United Nations Transitional Authority in Cambodia. The director general of the East Asian Affairs Department said that the opening of the checkpoints is by agreement of all parties. Kromluong Norodom Ranariddh's FUNCINPEC [National United Front for an



Independent, Neutral, Peaceful, and Cooperative Cambodia] will earn income from the timber trade, whereas the private Thai companies will be able to import logs from Cambodia.

Thailand closed the border checkpoints after the United Nations adopted a decision on 1 January to ban the export of logs from Cambodia in order to pressure the Khmer Rouge to comply with the peace process.

#### **Plan Unaffected by Guerrilla Attack**

*BK0308012993 Bangkok BANGKOK POST in English  
3 Aug 93 p 8*

[Text] Ubon Ratchathani—Interior Minister Chawalit Yongchaiyut says scheduled reopening of checkpoints with Cambodia will proceed as planned despite the Khmer Rouge attack on Chong Arnma Pass across the border from this province.

Gen Chawalit said yesterday the attack did not affect the Interior Ministry's plan but he might consider closing the checkpoints again if the reopening was seen abroad as support for the Khmer Rouge.

The reopening is to boost trade.

Khmer Rouge guerrillas took Chong Arnma in Preah Vihear province from the Hun Sen faction on Sunday.

About 150 soldiers launched the attack, according to Ubon Ratchathani Governor Sub-Lt Mytri Niyakul.

Four Khmer Rouge soldiers were injured when they stepped on mines as they attempted to occupy the pass, a senior army officer said.

About 50 were still stationed there.

The attack caused four peace-keepers of the United Nations Transitional Authority in Cambodia to flee to Thailand and they were still waiting to go back, said Maj-Gen Prasert Puckchareon, commander of the Suranaree Force.

Thai soldiers along the border in Surin, Sisaket and Ubon Ratchathani provinces have been ordered to stay alert as the Khmer Rouge apparently attempted to attack Choam Khsant town, he said while inspecting the border.

Guerrillas were along a 35 km stretch of road from Chong Arnma to Choam Khsant poised to attack the town in Preah Vihear province, he said.

A source said the provincial authorities in Nam Yeun district had already prepared for a possible influx of Cambodians fleeing any attack.

Military sources said the occupation of the pass was believed to be only a political bargaining tool because Chong Arnma and surrounding areas, which are abundant in logs, generate money for the Hun Sen faction.

#### **Burmese Soldiers Fire on Villagers; Protest Sent**

*BK3007154193 Bangkok Radio Thailand Network in  
Thai 1200 GMT 30 Jul 93*

[Text] The Public Relations Department's correspondent based in Tak Province reported that this morning, Thai authorities in Mae Sot District handed to the Burmese authorities in Myawadi a protest note over an incident in which one Thai border villager was killed and four wounded from firing by Burmese soldiers.

As a result of talks, the two sides agreed that each party set up a committee to probe into the incident, which must be completed within seven days starting from today. Once the investigation is completed, the Thai and Burmese committees will hold a joint meeting in order to establish facts about the incident.

#### **Fishing Concessions in Burmese Waters Suspended**

*BK3107044893 Bangkok Radio Thailand Network in  
English 0000 GMT 31 Jul 93*

[Text] Thailand has decided to suspend fishing in the concessioned Myanmar [Burma] territorial waters for security reasons.

Director General of the Department of Fishery Plotprasop Saratsawadi said the department has discussed with the Overseas Fishing Association and five private companies that legally operate fishing in Myanmar territorial waters and agreed that fishing should be suspended. Mr. Plotprasop said that Myanmar authorities have seized eight Thai fishing boats worth over 800 million baht with 160 fishing crews while they were operating in the concessioned areas and information has not been given to Thailand on where the seized fishing crews are detained. The Department of Fishery has already asked the Ministry of Foreign Affairs to negotiate with Myanmar.

President of the Overseas Fishing Association Udom Chaithiraphankun said there have been problems of fishing cooperation in Myanmar such as high concession fees, less fishing time, and arrest of Thai fishing crews. He said such incidents violate international law. Suspension of fishing cooperation will be opposed until the two countries can agree on solutions to the problems.

#### **Discussions To Probe Problems**

*BK0108053893 Bangkok Radio Thailand Network in  
English 0000 GMT 1 Aug 93*

[Text] Thailand is negotiating with Myanmar [Burma] on fishing problems due to Myanmar's seizure of a number of Thai fishing boats and Thai fishing crews. Foreign Minister Prasong Sunsiri has assigned the Thai ambassador in Rangoon to hold discussions with Myanmar authorities. At the same time, Foreign Minister Prasong has also entrusted the director general of



the Department of East Asian Affairs Don Paramakwinai to invite the Myanmar ambassador to Thailand to discuss the issue.

Eight Thai fishing boats and some 160 fishing crews have been reported seized by Myanmar authorities and no information have been made on them. Thailand is now suspending fishing cooperation with Myanmar. In the Joint Thailand-Myanmar Commission meeting to be held in Rangoon soon, the matter will also be raised to seek solutions on fishing between the two countries.

### **33 Logging Workers Arrested in Burma; 18 Released**

*BK3107103093 Bangkok SIAM RAT in Thai 31 Jul 93 p 16*

[Text] Our correspondent reported from Ranong Province that Burmese soldiers on 30 July arrested 33 Thai workers of the Chao Phraya-Irawaddy Logging Company. According to the report, the armed Burmese soldiers were led by Colonel (Ku Ao).

One of the 33 men arrested, Sanim Ketkaeo, 18 years, was released by the Burmese soldiers on the same evening.

The reason of the arrest was still not known. Thai officials are coordinating with local authorities to secure the release of Thai workers.

[Hong Kong AFP in English at 0836 GMT on 31 July in a related report adds: "Eighteen Thai logging workers arrested by Burmese troops while working in a Thai company's concession area in Burma have been released, a police officer said Saturday. The 18, released Friday, were among a group of 33 Thai logging workers arrested Wednesday by Burmese troops while they were working in the southern Burmese forest, the officer said by telephone from the southern Thai province of Ranong. One of the 33 had been released earlier and 14 were still being detained, the officer said.

["Thai officials did not give a reason for the arrests but said the Thais were detained in a concession area granted to a Thai logging firm, Chao Phraya Irawaddy Logging Co. It was not known if the detained Thais were employees of the company or were cutting timber illegally."]

### **Burma Releases 20 Loggers**

*BK0108022493 Bangkok THE NATION in English 1 Aug 93 p A2*

[Text] Burma has released 20 Thai lumberjacks arrested by Burmese troops while they were working in a logging concession granted to a Thai company, Ranong police said yesterday.

The 20 freed on Friday were among a group of 34 arrested on Wednesday by Burmese troops while working in a southern Burmese forest, said a Ranong

police officer who asked not to be identified. One of the 34 had been released earlier.

Thirteen were still being detained, the officer said.

Thai officials did not give any reason for the arrests but said the Thais were held in a concession granted to a Thai logging firm, Chao Phaya Irawaddy Logging Co.

The concession is located opposite Ranong's Kraburi district.

It was not known if the detained Thais were employees of the company or were cutting timber illegally.

Thai authorities were negotiating with Burmese officials for the release of the remaining Thais, the officer said.

Burma had announced recently that all Thai logging concessions in Burma will be terminated at the end of the year.

Army Commander-in-Chief Wimon Wongwanit, speaking to reporters yesterday, said he believed the Thai lumberjacks were arrested because they had illegally felled trees in Burma.

"Some Thais are inclined to break laws even when they are in other countries," Wimon said.

Wimon said he would travel to Rangoon in a few days as part of a mission to strengthen relations between the armed forces of the two countries.

Kraburi district chief Thitiwat Chawalit said that although it was still not known why the Thai loggers were apprehended, he suspected they had been cutting trees outside the concession when they were rounded up.

Thitiwat said the other 13 Thais still being held by Burmese authorities had already been sent to a local prison in Burma's border town of Kaw Song making it more difficult to negotiate for their release.

The 20 Thais were freed by the Burmese army unit which arrested them.

The district chief said he had issued a warning to border villagers to strictly observe Burma's laws while in that country.

Sanit Kaeoket, one of the loggers released on Friday, said he did not know why he and his colleagues were nabbed by the Burmese troops.

He denied that they were working outside the concession when apprehended. "They just came up and rounded us up without saying anything," Sanit said.

He said more than 300 Thais employed by various Thai logging companies granted concessions in Burma had laid down their tools after the Wednesday incident.



**Editorial Links Burma 'Incidents,' Nobel Protest***BK0308103293 Bangkok SIAM POST in Thai 3 Aug 93  
p 4*

[Editorial: "Is It a Reply From Burma?"]

[Text] Burma has behaved strangely toward Thailand recently, as if it could care less about relations between the two countries. Burmese authorities recently seized eight Thai fishing boats, and the fate of the 160 crewmen remains unknown.

On 29 July, Fishery Department Director Plotprasop Suratsawadi had an urgent consultation with Deputy Foreign Minister Surin Phitsuwan on the incident and ways to assist the unfortunate Thai fishermen quickly.

Initial information shows that the seized boats belonged to five private Thai companies that hold concessions to fish in Burmese waters. In this circumstance, the deputy foreign minister and the Fishery Department director jointly agreed that all Thai fishing firms must halt operations in Burmese waters until the Foreign Ministry negotiates a settlement to the problem with the Burmese Government.

On 29 July, however, for no apparent reason about 10 Burmese soldiers fired their weapons across the border at Thai villagers who were logging in Thailand's Mae Sot District, killing one and wounding four others. The Thai side is trying to contact the Burmese side to take responsibility for the incident.

On 28 June, Burmese Forestry Minister Lieutenant General Chit Swe officially announced on Burmese television that Burma would not renew the concessions of 47 Thai logging firms when they expire at the end of this year. This decision will end the huge benefits Thailand has received since it closed its own forests in 1989. Now the fishing sector is facing a similar predicament.

It is worth noting that the acts committed by Burma that affect Thailand have occurred since the Thai Government permitted an anti-Burmese protest by a group of seven foreigners, including Nobel Prize laureates and the Dalai Lama. The group came to Thailand 13-23 February to publicize their demand for the Burmese Government to release unconditionally Aung San Suu Kyi, the leader of the National League for Democracy, and condemn the Burmese Government's violation of human rights and deprivation of freedom of the Burmese people.

If we cannot convince the Burmese that we had no part in any interference in Burmese internal affairs, the trend of increased disputes with Burma is certain to grow.

**Spokesman Reviews Economic Situation in 1st Half***BK0208090393 Bangkok Radio Thailand Network in Thai 1200 GMT 1 Aug 93*

[Text] Citing reports submitted to the cabinet by the Bank of Thailand and the Office of the National Economic and Social Development Board [NESDB], Aphisit Wetchachiwa, spokesman for the Prime Minister's Office, has revealed that Thailand's economy was still in a state of recovery during the first six months of this year. The Bank of Thailand predicted that the country's economic growth in 1993 will be around 7.5 percent, while the NESDB set the figure at 7.9 percent as opposed to 7.4 percent in 1992. The projection is quite high considering the world's current economic situation.

This year's economic growth can be attributed to three factors. First, according to the NESDB, the people's buying power, both in towns and rural areas, has increased at a fairly high rate. Second, private sector investment is continuing to grow. It was noted that the import of capital goods and raw materials as well as the number of construction projects rose during the period under review. The third factor was the government's budget spending.

The spokesman said that some problems remain despite the favorable economic growth, such as the decline in export expansion, which was recorded at only 8 to 9 percent. As a result, the target of the total export value for this year has to be readjusted from 980 to 914 billion baht in response to the world economic slowdown. It is believed, however, that the international and domestic economic situation will be better in the second half than the first half.

Another problem was the fall of crop prices in the world market. The government will have to pay special attention to problems related to the agricultural and export sectors. In particular, a national-level committee will be appointed to look after the rice supply from the upcoming harvest season. As some of the export products—except those involving the use of high technology—are losing their foreign markets, the government has instructed agencies concerned to find ways to lower their production cost and work out supportive measures, such as a new tax policy, so as to increase their competitiveness in foreign markets.

**Arsonists Attack 34 Schools in South***BK0208010993 Bangkok THE NATION in English  
2 Aug 93 p 1*

[Text] Arsonists set ablaze at least 34 schools in Yala, Pattana and Narathiwat in almost simultaneous attacks early yesterday morning, officials reported. The military blamed Muslim separatists for the incidents, which they said could renew volatility in the religiously sensitive region. No casualties were reported after arsonists, virtually following the same striking pattern, torched 13



remote schools in Pattani, 11 in Yala and 10 in Narathiwat between 1 am and 4 am. All schools are under the Provincial Primary Education Office, which estimated damage at about Bt15 million.

Fourth Army Region commander Lt Gen Kitti Rattanachaya insisted the separatist Patani United Liberation Organization (PULO), still influential in some areas in the Muslim-dominated deep South, set the fires. Five schools in Narathiwat were totally destroyed, while five others were partially damaged. Details of damage caused in Pattani and Narathiwat were not immediately available.

A tambon council office in Narathiwat was also attacked by two teenaged motorcyclists using molotov cocktails. The official living quarters of the treasury officials in Yala and Pattani were also attacked. Kitti said armed forces intelligence agencies reported on July 22 that a number of PULO members broke away from the old group led by Sama-il Tahnam, dissatisfied that he was advocating that members surrender and abandon their secessionist hopes.

The new PULO group, he said, has about 50 armed militants. Military sources said there are about 100 PULO members who refuse to surrender to authorities. PULO has been fighting for the secession of the five southernmost provinces—Satun, Narathiwat, Yala, Pattani and part of Songkhla.

Last year, Hat Yai police blamed PULO for a bomb explosion at Hat Yai railway station in Songkhla province, which killed three people and injured scores more. "I was stunned," Kitti told reporters. "I just told the prime minister yesterday the situation in the region is improving but then lightning struck in broad daylight." Kitti described the arson as "barbaric" and said he regretted that many Thai Muslim students' education would be interrupted as a result. He added it remains to be seen how the incidents affect the peace talks with separatist rebels.

Narathiwat Governor Kiangsak Thammaratrak said investigations showed the fires all began the same way, with arsonists setting alight jute sacks which had been saturated with gasoline and stuffed into cracks around the wooden window frames. Kiangsak praised local villagers who fought the flames before fire engines arrived, preventing the fires from spreading to other areas. The governor refused to lay the blame on any group, saying the matter was under investigation.

Education Minister Samphan Thongsamak yesterday inspected some of the burned schools. Satun Primary Education Office director Prapai Sunthommajcha said security had been stepped up at all schools in the province. Narathiwat Governor Kiangsak Thamratcharak called an urgent meeting of senior provincial and security officials to discuss the situation and vowed to tighten security.

Provincial Police Bureau 4 Deputy Commissioner Pol Maj Gen Sunthom Saikwan said in Songkhla the situation was under control. Plainclothes police were stationed at various public places like airports, hotels and department stores. Southern Teachers' Federation spokesman Pichai Srisai said separatist groups have targeted schools and government offices in past attacks. Prime Minister Chuan Likphai declined to speculate as to who were responsible for the "obviously systematic" attacks yesterday, saying further investigation was needed.

#### Interior Minister Comments

BK0208021393 Bangkok BANGKOK POST in English  
2 Aug 93 p 1

[Excerpts] Arsonists suspected of links to separatists torched 33 rural schools and offices throughout Yala, Pattani and Narathiwat early yesterday in the most blatant recent challenge to the authorities by restive elements in the provinces. The attacks which appeared well coordinated occurred between 1 a.m. and 3 a.m. Total damage was initially estimated at 15 million baht.

Interior Minister Chawalit Yongchaiyut said the attacks were apparently undertaken by a large, highly organized movement. He has told authorities to investigate the motive but it was not known which group was responsible for the attacks. The minister said there appeared to be a problem with the authorities' preventive and information gathering work because they were caught unprepared. Such work would have to be improved.

Gen Chawalit said he would also visit the South to look at the situation first hand. He dismissed suggestions that the attacks might have been connected with religion or to the visit of Palestine Liberation Organisation chief Yasir 'Arafat to Bangkok. "Don't blame it on those. It's not good to do that," Gen Chawalit said.

A previous arson wave occurred on September 13, general election day, when arsonists torched about 10 schools in Yala, Pattani and Narathiwat, allegedly to disrupt the poll. [passage omitted] Security authorities said that all the attacks were similar. The arsonists used petrol-soaked gunny bags and a primitive fuel which has a smell when it reacts with water.

A well-informed source in the Fourth Provincial Police Bureau alleged that the arson wave was perpetrated by Aryee Sama-ae Thanam and Aryee Sama-ae Datoh Thanam, two chiefs of separatist gangs associated with the outlawed Pattani United Liberation Organisation (PULO). The source claimed that the two chiefs met with about 20 key members last Friday in Malaysia's northern state of Kelantan. The source said it was probable that the meeting might have plotted the arson. A source in the Police Department said it was uncertain whether the attacks were perpetrated by PULO.

Initial police investigation assumed that the incidents might have been committed by PULO gangs, Muslim



radical youths, Shi'ite fundamentalists or some politicians, the source said. The source said police doubted that the attacks were intentionally timed to coincide with the visit to Thailand of 'Yasir 'Arafat in order to gain international publicity. "There must have been other reasons," the source said.

By late last night, no one had claimed responsibility for the attacks. Education Minister Samphan Thongsamak, who flew to Yala to inspect some of the burnt-out schools, condemned the attacks but said he did not believe the attacks were perpetrated by separatists. He said that most of the schools under attack taught Islam.

Prime Minister Chuan Likhai had approved an education plan in the South by introducing the Malay language as an alternative subject. Deputy House Speaker Wan Muhamadnormatha, an MP for Yala who was in Yala province, said he doubted the attacks were to protest against the Islam Bill to be introduced in Parliament. He said the bill had received approval from Muslim leaders.

Deputy Interior Minister Den Tomina said he had ordered a probe of the incidents and expected an answer in a week. He said no scapegoats would be arrested.

Yala Governor Sawat Kritratchatanan yesterday summoned an emergency meeting with police and education officials at the provincial police headquarters. After the meeting, he told reporters that a task force had been set up to investigate the arson attacks in Yala. He said psychological warfare teams would also be sent to boost the morale of villagers and teachers. He said schools would not be closed and would resume class on Wednesday.

A teachers' group in Yaha district of Yala yesterday issued a statement condemning the attacks. The group urged school administrators and teachers to keep a close watch on their schools to prevent the incidents from being repeated.

#### **Says Politics Involved**

*BK0308011793 Bangkok BANGKOK POST in English  
3 Aug 93 pp 1, 3*

[Text] Interior Minister Chawalit Yongchaiyut says the coordinated arson attacks on 33 schools in three southern border provinces of Yala, Pattani and Narathiwat on Sunday morning were politically motivated.

He doubts the attacks were the work of a separatist movement as suspected by the military and police.

Fourth Region Army officers suspect that the attacks were caused by a rift within the Pattani United Liberation Organisation (PULO) which has been holding talks with the authorities for a truce.

They said a faction in the PULO was not satisfied with the move and wanted to continue the armed struggle.

The attacks might have been carried out by the dissident faction, they said.

But Gen Chawalit offered a different view yesterday.

"They were unlikely to be work of the separatists, judging from my own theory and information from various sources," he said at Don Muang airport before his departure for the South.

"The attacks were well-coordinated and carried out by a huge and organised movement.

"Nobody can tell now what was the real cause of the incidents. I believe politics was certainly involved, but I would rather not rush to a conclusion. All I can say is the attacks were the worst thing," Gen Chawalit said.

He said, however, that the "huge and organised movement" mentioned was not from abroad.

Gen Chawalit and Deputy Interior Minister Den Tomina left for the South yesterday morning.

They were accompanied by Interior Permanent Secretary Anan Anantakun, police chief Gen Sawat Amon-wiwat and other officials.

In Hat Yai, Gen Chawalit met the governors of the five southern border provinces, police and military personnel to discuss the incidents.

A committee led by Fourth Regional Provincial Police chief Pol Lt-Gen Kraisuk Sinsuk was set up to investigate the attacks.

At the meeting, Gen Chawalit said those responsible for the arson attacks were subject to heavy punishment because they were destructive to the nation.

He emphasised his belief that the arson was politically motivated but did not elaborate.

Pol Lt-Gen Kraisuk said that according to intelligence reports people responsible for torching the schools were probably from a group of about 200 youths who had sabotage training in Si Sakhon District of Narathiwat Province.

Fourth Army Commander Lt-Gen Kitti Rattanachaya said he had never said there were no more separatists in Thailand, but only that they were no longer capable of conducting armed activities.

Arms were not needed to set fire to the schools, Lt-Gen Kitti said.

The attacks were probably the work of a new generation of separatists, not veterans.

Mr Den, who is a New Aspiration Party MP for Pattana and the leader of a faction of Muslim MPs in the South said it was still not known who was responsible for the attacks.

In the past it might have been easy to blame separatists.



"But for the latest incidents we cannot easily blame anyone. Setting fire to nearly 40 schools almost simultaneously was quite something," Mr Den said.

"I think they were the work of people in the areas.

"Some people said it was united front members of the separatist movement who were responsible. If this was true, it would be very dangerous if there were united front members of the movement in every village.

"I do not believe this theory. Some district officers told me that outsiders could not even enter some areas," Mr Den said, supporting his view that the attacks were from people inside the areas.

Mr Den said the attacks had nothing to do with the Palestine Liberation Organisation's plan to set up an office in Thailand.

He said that what had happened caused him great concern since the attacks took place in his areas.

Mr Den strongly dismissed a suggestion that a conflict over a bill seeking amendments to the Islamic law was the cause of the attacks.

"I can guarantee that this was not the cause. The only problem is that we still do not know what was the real cause. We are still in the dark.

"I think there will be an answer to the question in a few days," he said.

In Yala, Thienwit Rithirong, chairman of the Confederation of Teachers of Southern Border Provinces who yesterday visited the schools, said most villagers believed the attacks were motivated by conflicts among officials.

Mr Thienwit said that today there would be a meeting of administrators of the confederation and teachers from the attacked schools.

The schools would be reopened soon.

Wan Muhammadnor Matha, a New Aspiration MP for Yala who is Deputy House Speaker, said the attacks took place in areas which were 99 per cent categorised to be outside separatist influence.

However he did not totally rule out the possibility of the separatists' having set the schools alight.

In Pattani, Governor Palakorn Suwannarath said provincial authorities had heard that schools would be targets for arson attacks about eight months ago and preventive measures had been taken in areas considered to be under the influence of separatist bandits.

But the arson attacks took place in areas considered to be "safe" and most of the schools which were burnt down were located by roadsides.

### Criticizes Southern Governors

BK0308014793 Bangkok *THE NATION* in English 3 Aug 93 p A2

[Text] Civilian and military figures overseeing the deep South yesterday bore the brunt of outrage from Interior Minister Gen Chawalit Yongchaiyut concerning Sunday's torching of 33 schools, an informed source said.

While chairing a closed-door emergency meeting of top provincial and military officials at JB Hotel in Hat Yai, Songkhla, yesterday, Chawalit reprimanded the governors of Pattani, Yala and Narathiwat for their failure to prevent the arson, according to the source, who was present in the meeting.

"How do you govern your provinces? The military told you about one month before about possible arson attacks and you should have been more prepared. That's too bad," Chawalit was quoted as saying.

The Fourth Army Region was also rapped by Chawalit. "So far, the army still does not know anything about the arsonists, does it?" he reportedly asked the commander of the regional army, Lt Gen Kitti Rattanachaya, also present at the meeting.

After Provincial Police Bureau 4 Commissioner Pol Lt Gen Krai Suk Sinsuk briefed the meeting on a police theory that the arson could be the handiwork of a group of newly-trained Muslim separatists in Narathiwat, he was snubbed by Chawalit, the source said.

"Are you sure about that? You should have concrete verification for such a theory before reporting to me," he was quoted as saying.

The same source said the arson could be aimed at creating political pressure for either the government, or the army or the administrators of schools in the deep South.

Southern business leaders yesterday gave mixed reaction to the arson on the 33 schools.

Chairman of Songkhla Chamber of Commerce Cham Lilaphon said he believed the incident would adversely affect the investment climate in the four southernmost provinces—Yala, Pattani, Narathiwat and Songkhla.

But director of the Bank of Thailand's Hat Yai Office, Bunchu Sotaphan, said he thought the fires would have minimal effect on investment which is usually very low in the four southernmost provinces.

### Paper Criticizes Separatist Group

BK0308015593 Bangkok *THE NATION* in English 3 Aug 93 p A6

[Editorial: "A Despicable Act of Violence by PULO Splinter Group"]

[Text] Last August, Fourth Army Region commander Lt Gen Kitti Rattanachaya announced that the armed



struggle waged by the separatist Pattani United Liberation Organization (PULO) was expected to cease by the end of the year.

Exactly a year later, it is indeed shocking that PULO has reared its ugly head again, this time torching 34 schools in Yala, Pattani and Narathiwat provinces and attacking a tambon [district] council office and the official living quarters of treasury officials in the deep South.

Sunday's incidents in the southernmost provinces have been blamed on PULO chief Aryee Samae Thanam and his brother Aryee Samae Datoh Thanam. Aryee Samae Thanam was also implicated in the Hat Yai railway blast last year which killed three people and injured 74 others, some of whom lost their limbs.

The Fourth Army Region has every reason to believe that Aryee Samae's renegade guerrillas are a splinter group of PULO, out to scuttle the peace talks with the government. All, in all, this splinter PULO group has about 100 armed militants who refuse to lay down their arms.

The razing of the 34 schools is a despicable act because the studies of Thai Muslim children would be interrupted, now that they would not have permanent buildings to continue with their education.

If innocent children are the targets of any separatist campaign, then it clearly shows to what extent these guerrillas will go to try to achieve their aims. Frankly, they are able to kill without any compunction whatsoever, be their victims women or children.

But these merciless acts committed by this PULO splinter group should not be used as a justifiable excuse by the Fourth Army Region to unleash a campaign of counter-terror against the renegade separatists and their supporters in the deep South. The lessons from the Indonesian armed forces' folly in trying to reign in separatist rebels in the northern Sumatran province of Aceh, could serve as a good example against embarking on such a cruel venture.

It is indeed laudable that a task force under the chairmanship of Yala Governor Sawat Krittratchatanan has been set up to investigate the arson attacks in the province. Psychological warfare teams under the Fourth Army Region would be sent to boost the morale of villagers and teachers, and the governor added that schools would not be closed and would resume classes tomorrow after the long weekend.

The other two affected provinces too should follow Yala's example, for the only way to battle separatism is to win the hearts and minds of the people. Using force to counter force will only lead to gross human rights abuses, that would instil hatred and fear in the affected areas.

Fourth Army commander Lt Gen Kitti should not allow Sunday's incidents to derail the peace talks with PULO, and we trust that his over three decades of military experience in the South would help him see things in a

proper perspective regardless of the dictates from the Supreme Command in Bangkok.

Also, it is disturbing to note, according to intelligence reports, that the two chiefs of the PULO splinter group met in the neighbouring Malaysian state of Kelantan to plot Sunday's arson. If this is indeed true, then there could be shortcomings in Thai-Malaysian relations, with the opposition Parti Islam in Kelantan still providing a "safe haven" to PULO separatists.

Frankly, more confidence-building measures are needed to allay the perception of the Muslims in the deep South, that they are being ignored by state authorities. Prime Minister Chuan Likphai's approval of an education plan in the South by introducing the Malay language as an alternative subject is a step in the right direction.

The next confidence-building measure should be to allow Muslim girl students and civil servants to don the hijab (a headcloth covering the hair) while in school or in the office.

Undeniably, Muslims form the majority in the southernmost provinces, and the government together with the Fourth Army Region should do everything possible to do away with circumstances that could lead to local tension and misunderstandings.

The Muslims in the deep South yearn for peace and stability, and they of course are entitled to it. After all, they too are Thais.

## Vietnam

### Foreign Minister Interviewed on ASEAN Conference

*BK0308103493 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 2 Aug 93*

[Interview with Foreign Minister Nguyen Manh Cam by TUOI TRE correspondent on 28 July in Singapore; place not given—read by announcer]

[Text] [Correspondent] Dear Comrade Minister, what are the results of the ASEAN foreign ministerial conference and how did the ASEAN foreign ministers assess Vietnam's role in the region?

[Nguyen Manh Cam] It can be said that the recent ASEAN foreign ministerial conference is a success because it has helped accelerate cooperation among ASEAN countries. ASEAN foreign ministers at the conference asserted that they will strive to maintain the current atmosphere of peace and friendship in the region for economic development. At the conference the ASEAN foreign ministers held a separate meeting with the Vietnamese delegation. At the meeting, Singapore Foreign Minister Wong Kan Seng, president of the ASEAN Standing Committee, noted the unprecedented progress made by Vietnam in the politico-economic domains. The ASEAN foreign ministers highly appraised



Vietnam's correct policy on renovation and asserted that in a short period of time Vietnam has successfully established fine relations with the ASEAN countries. They also said that Vietnam, in its capacity as an ASEAN observer, can now participate in various ASEAN activities, namely cooperation and exchanges of experiences in the fields of science, technology, culture, information, education, public health, the environment, and tourism. The foreign ministers also expressed the hope that Vietnam will soon become an official member of ASEAN. This is very significant because Vietnam has great potential in various aspects. Once Vietnam becomes an ASEAN member, it will help enhance the strength of this organization, and this is one of the important factors that contributes to ensuring peace and security in the region and the world.

[Correspondent] How did the conference deal with the security and economic cooperation issues in the region?

[Nguyen Manh Cam] Similar to the previous ASEAN conference, the ASEAN foreign ministers held frank and useful talks with ministers from the United States, the EC, Japan, the Republic of Korea, Australia, and New Zealand. Regional security was treated as one of the pressing issues of the conference. The conference reached a consensus that concrete measures must be taken to ensure security in the region including measures to prevent the deployment of nuclear and chemical weapons. Concerning the economic issue, the ASEAN foreign ministers advocated expanding bilateral and multilateral economic cooperation relations. Regarding Vietnam, although it is just an observer, ASEAN countries contend that Vietnam has great potential in strengthening relations between countries in the region and between Southeast Asian nations and other countries in the world.

[Correspondent] Comrade Minister, could you tell us when Vietnam will officially become an ASEAN member country?

[Nguyen Manh Cam] I cannot give you the exact date, but the ASEAN member countries have expressed the hope that Vietnam will become a member in the near future [words indistinct].

[Correspondent] Dear Comrade Minister, at this conference you had the chance to hold talks with U.S. Secretary of State Warren Christopher, can you elaborate on the details of the talks?

[Nguyen Manh Cam] At this conference, Singapore—the host country—organized a reception for foreign ministers attending the conference. I attended the reception and had the chance to speak with U.S. Secretary of State Warren Christopher. We exchanged views on issues related to Vietnam-U.S. relations. [words indistinct] we also reached a consensus that the POW/MIA issue is a humanitarian issue. For Vietnam, it has done and is doing its best to help the peoples of the two countries overcome the suffering and consequences caused by the war. Secretary Christopher highly appraised Vietnam's

cooperation in the MIA issue and hoped that Vietnam will make greater efforts regarding the issue so that normalization of relations can be achieved soon. Concerning this issue, I have said on many occasions that Vietnam has done its best to speed up the process; however, the U.S. side must also show its goodwill, too, because normalization of relations will bring about mutual interests to peoples of both countries.

[Correspondent] Thank you, Comrade Minister.

### **Spokesman Urges Help for SRV Refugees in Cambodia**

*BK0108151593 Hanoi VNA in English 1427 GMT  
1 Aug 93*

[Text] Hanoi VNA August 1—Vietnam calls on the authorities in Cambodia and international organizations for the purpose of humanism to take practical measures to help Vietnamese residents who had evacuated to Cambodia-Vietnam border areas to evade the Khmer Rouge's terrorism and killings, a spokesman for Vietnam's Foreign Ministry has said.

He was answering questions raised by foreign correspondents about Vietnamese residents in Cambodia who had evacuated to the Vietnam-Cambodia border to evade the Khmer Rouge terrorist acts, and who are in danger of famine if they are not allowed to return to their previous places in Cambodia.

The spokesman said:

'Due to terrorist acts and massacres of Vietnamese residents by the Khmer Rouge, a number of families of Vietnamese residents have recently had to take refuge along the Vietnam-Cambodia border. These people have lived and worked for a long time in Cambodia. Nowadays, they want to return to their previous places of residence in Cambodia. Their desire is legitimate. We ask the authorities in power in Cambodia at present, especially the interim national government of Cambodia, to receive them and create favourable conditions for their return to the previous normal life in Cambodia.

He went on: 'At present these families are meeting with numerous difficulties because they had lost their traditional working means and environment. We call upon Cambodia's authorities and international organizations for humanitarian purpose to take practical measures as soon as possible to help these people overcoming these difficulties'.

### **Chinese Military Attache Marks PRC Army Day**

*BK0108145793 Hanoi VNA in English 1436 GMT  
1 Aug 93*

[Text] Hanoi VNA August 1—Col. Li Delin, military attache of the Chinese Embassy in Vietnam, gave a reception here yesterday evening on the occasion of the 66th anniversary of the People's Liberation Army of China (August 1).



Present at the reception were Chinese Ambassador to Vietnam Zhang Qing, Lt. Gen. Nguyen Thoi Bung, Vietnamese deputy minister of national defence, and other senior Vietnamese party, state and army officials.

Host and guests raised toasts to the further consolidation and development of the friendship between the two peoples and armies.

#### **Doan Khue Greet Counterpart**

*BK3007150393 Hanoi VNA in English 1442 GMT  
30 Jul 93*

[Text] Hanoi VNA July 30—Vietnam's Defence Minister General Doan Khue has sent a message of greetings to his Chinese counterpart, Senior Lieutenant General Chi Haotian, on the 66th anniversary of China's Army Day (August 1).

The Vietnamese general expressed wishes for further consolidation and development of the friendship and cooperation between the people and armies of Vietnam and China.

#### **Hanoi Radio Gives 'Full Text'**

*BK0208090193 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 1 Aug 93*

["Full text" of message of greetings from General Doan Khue, minister of National Defense, to Senior Lieutenant General Chi Haotian, minister of National Defense of the People's Republic of China, on the 66th founding anniversary of the Chinese People's Revolutionary Army—date not given]

[Text] Dear Comrade Senior Lieutenant General: On the 66th founding anniversary of the Chinese People's Revolutionary Army, on behalf of the leaders of the Ministry of National Defense of the Socialist Republic of Vietnam and on my own behalf, I convey my warm greetings to you and, through you, to the other comrade leaders of the Ministry of National Defense of the People's Republic of China.

May I wish the friendship and cooperation between the peoples and armies of Vietnam and China further consolidation and development.

May I wish you, comrade minister, good health and happiness in your daily life.

My respectful salutations.

#### **Thai Senate Delegation Pays Working Visit**

*BK3107071893 Hanoi VNA in English 0651 GMT  
31 Jul 93*

[Text] Hanoi VNA July 31—A delegation of the committee for administration interior of the Senate of Thailand led by Admiral Prawit Siwaraks paid a working visit to Vietnam from July 26-29.

While here, the Thai delegation held talks with a delegation of the National Assembly's Law Commission led by Vice-Chairman Nguyen Van Yeu. The guest delegation reaffirmed Thailand's aspiration to further enhance the friendly and cooperative relations between the National Assemblies and people of the two countries, and to share its experience with Vietnam, thus making practical contributions to national construction in both countries, and to peace and prosperity of Thailand and Vietnam as well as of other countries in the region and the world.

Beside Hanoi, the Thai senators visited Ho Chi Minh City where they had working sessions with the municipal people's council and visited some places of historical and cultural interest in the city.

#### **New Japanese Consulate General Opens in HCMC**

*BK3007151393 Hanoi VNA in English 1443 GMT  
30 Jul 93*

[Text] Hanoi VNA July 30—The consulate general of Japan was officially inaugurated in Ho Chi Minh City on July 29. At the inaugural ceremony, Mr. Hiroyuki Yushita, Japanese ambassador to Vietnam, Mr. Shinji Kubota, Japanese consul general in Ho Chi Minh City, and Mr. Nguyen Van Huan, vice-chairman of the municipal people's committee, brought out the fruitful development of the Japan-Vietnam cooperation and friendship over the past years, especially since the Japan visit in March by Vietnamese Prime Minister Vo Van Kiet. They expressed their belief that the consulate general would effectively contribute to the development of the relations between the two countries.

#### **Vo Van Kiet Gives 1 Million Dong to Cuban Children**

*BK0208145493 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 2 Aug 93*

[Text] Prime Minister Vo Van Kiet sent a letter on 1 August to the Management Board of the Young Vietnamese Talents Support Fund. The letter says that the prime minister is donating 1 million dong to Cuban children in response to a campaign launched by the fund to help Cuban children with textbooks and stationary. He expressed his hope that the fund will actively continue its campaign for a good donation to help Cuban children.

#### **Do Muoi Receives Outgoing Malaysian Ambassador**

*BK3007152793 Hanoi VNA in English 1453 GMT  
30 Jul 93*

[Text] Hanoi VNA July 30—Party General Secretary Do Muoi received here today Malaysian Ambassador N. Parameswaran who paid him a farewell visit at the end of his term of office in Vietnam.



The Malaysian diplomat expressed his satisfaction at the constant development of the friendship and multifaceted cooperation between the two countries.

Speaking to his guest, party General Secretary Do Muoi highlighted Ambassador N. Parameswaran's worthy contribution to bringing the friendship and cooperation between the two countries to a new step of development.

On this occasion, General Secretary Do Muoi asked the ambassador to convey his greetings and health wishes to the leaders of the party in power, the state and Government of Malaysia, and expressed his wishes for further consolidation and development of the relations between the two countries, thus contributing to realizing the common aspiration of the Southeast Asian peoples to build a peaceful, stable, cooperative and prosperous region.

#### **Do Muoi Holds Working Session With Trade Unions**

*BK2907140193 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Jul 93*

[From the "Press Review" program]

[Text] On the founding anniversary of the Vietnam Confederation of Trade Unions [VCTU], 28 July, Sunday's issue of the LAO DONG weekly magazine carried a report and photo on a working session by party General Secretary Do Muoi with the VCTU Youth Union and party committee on its front page.

At the working session, Comrade Nguyen Van Tu reported on VCTU activities since its sixth congress. He said that in the last five years, in order to implement party resolutions, the VCTU Youth Union and party committee have held many activities to rally workers to contribute to the national political and social stability, to develop the multisector commodity economy under the socialist direction, to protect the workers' interests, and to build up relations in the political system.

However, the VCTU Youth Union and party committee have suffered many shortcomings. They are slow in changing the VCTU Sixth Congress Resolution into a program of action. They have not established directions to study and review issues relating to development of the worker class and trade unions in the new situation for a report to the party. They have not given instructions to renew cadre work to meet new demands. The trade union congresses from the grass roots to provinces, cities, and the central level have met the outlined requirements. However, the shortcoming of these congresses is that they have not discussed the issue concerning continued renovation of trade union activities in a multisector commodity economy. Consequently, the congresses have not created a clear impression.

At the working session, the general secretary contributed many opinions on the activities of trade unions.

#### **Agriculture Ministry Gives Rice-Planting Statistics**

*BK0208093993 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 1 Aug 93*

[Text] The Ministry of Agriculture and Food Industry reported that as of 25 July, the nation had planted 1,748,160 hectares of 10th-month rice, or more than 65 percent of the set plan norm. The northern provinces, in particular, had planted 1,073,390 hectares, or almost 84 percent of the plan norm. Thanks to the recent downpours in northern areas, the drought problems of some localities have been eased.

The southern provinces had planted 647,770 hectares of 10th-month rice, or almost 49.5 percent of the plan norm. The consistent rainfalls experienced in southern provinces last week have created favorable conditions for the planting of the 10th-month rice. The pace of planting was 33 percent faster than the corresponding period last year.

#### **Do Muoi Visits Nghe An, Thanh Hoa Provinces**

*BK0308112593 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 2 Aug 93*

[Report by station correspondent Dao Nguyen on the 21-28 July visit to Nghe An and Thanh Hoa Provinces by Communist Party General Secretary Do Muoi and Dao Duy Tung, member of the Communist Party Central Committee Political Bureau]

[Summary] "As soon as they arrived in Nghe An, Comrades Do Muoi and Dao Duy Tung met with the executives of the province party committee, other leading cadres, and representatives of the 4th military region." After listening to reports from the provincial leaders on socioeconomic achievements in the past few years, Comrade Do Muoi praised them for their good economic progress, especially the three consecutive years of good agricultural crops. However, he pointed out that Nghe An was still a poor province despite its rich resources such as logging, industrial plants, precious metals and stones, and charcoal. "He also said that the purpose of his visit is to assist the province's authorities in releasing economic production forces in the western area of Nghe An."

"After paying a visit to the forest area of western Nghe An, Comrades Do Muoi and Dao Duy Tung visited Thuy Chau Precious Gems Enterprise, the Tin Exploitation Enterprise, the State Farm No. 2, the Phu Quy Tropical Fruits Research Center, and the Quy Hop Nghia Dan Canned Food for Export Plant." Then the two leaders spent a whole day visiting local families. "They also visited and presented gifts to workers and engineers of the Electricity Construction Enterprise No. 1 who were working on the 500-kv powerline project." At the site, Energy Minister Thai Phung Ne and all workers of the enterprise reported and demonstrated to Comrade Do Muoi the work they were doing.



At Thanh Hoa, "Comrade Do Muoi paid intensive attention to the main development potential of the province that lay on the hills and the sea," and he urged the local authorities to strive for further development in these areas. Comrade Do Muoi stressed that the fishery sector needs to be encouraged to develop further, with bigger boats and more modern fishing equipment to catch more marine products in a larger coastal area.

"The two comrades then visited the forestry research station in Ngoc Loc District, laid a wreath at the Dong Tam Fallen Heroes Cemetery in Ba Thuoc District, and met with officials of highland districts at Cam Thuy district town." Talking to the cadres Comrade Do Muoi pointed out that Thanh Hoa presently focused most of its attention on rice planting and has not yet given appropriate efforts to develop industrial cultivation on hills and forests which cover 72 percent of the province.

Speaking in the meeting with leading cadres of the Thanh Hoa party committee, Comrade Do Muoi said:

[Begin Do Muoi recording] "Past experiences have proven that state enterprise has its advantages. The state-run sector must be developed to be strong and diversified. State-managed enterprises should be set up in all fields, in fishery, in farming, and in other agricultural industries. They should be able to take a leadership role in the market economy." [end recording]

The two comrades also visited Bim Son Cement Plant where they praised the cadres and workers for their high production output. They reminded the cadres and workers to pay more attention to reducing cost price and to protecting the environment.

#### **Vo Van Kiet Meets Voters in 5th, 10th Precincts**

*BK0308092493 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 2 Aug 93*

[Text] On the morning of 2 August, Prime Minister Vo Van Kiet, a National Assembly member of Ho Chi Minh City, met voters from the fifth and 10th precincts. He reported to the voters on the important tasks performed by the government in implementing the resolution of the Ninth National Assembly's third session. He mentioned his individual responsibility in working with other cabinet members in renovating and improving management of socioeconomic work to create a new change in the country when there are many favorable conditions together with new difficulties and challenges.

The prime minister also reported to the voters on the results of the government's friendship visit to four European countries and the party and state's visit to the Republic of Cuba from 23 June to 10 July. He said that the fine results of these visits confirmed the correctness of our party and state's renovation line and multi-bilateral and multi-diversified foreign policy.



## Australia

### **Treasurer: Breakdown of EMS 'Probably Good News'**

*BK0308065693 Melbourne Radio Australia in English  
0500 GMT 3 Aug 93*

[Text] Australia's Treasurer John Dawkins says the breakdown of the European Monetary System [EMS] is probably good news for Australia and the world economy. Mark Tamhane reports that the nation's chief economic minister has also played down fears that the move may lead to more trade protectionism in Europe.

[Begin recording] [Tamhane] As a large primary producer, Australia is dependent on demand for its commodity exports to industrialized countries. Mr. Dawkins says the demise of the monetary grid may provide a pickup to the European economy which will increase demand for commodities.

[Dawkins] Generally speaking, I think that this is probably an encouraging sign for Europe and bearing in mind that Europe has been, if you like, the black spot as far as the world economy is concerned, I think it's probably a good sign for the world economy as a whole and, therefore, for Australia down the track.

[Tamhane] Mr. Dawkins says the demise of the ERM [exchange rate mechanism] may end Europe's preoccupation with monetary issues and increase momentum towards a conclusion of the world trade talks. On the domestic outlook, the treasurer has foreshadowed the introduction of new taxes and widespread spending cuts in the national budget due later this month. And Mr. Dawkins says forecasts that Australia will grow by around two percent over the next year are a bit low. [end recording]

## New Zealand

### **Minister Vows Support for Air Strikes in Bosnia**

*BK0308073493 Hong Kong AFP in English 0727 GMT  
3 Aug 93*

[Text] Wellington, Aug 3 (AFP)—New Zealand, a United Nations Security Council member, would support the use of air power to stop the fighting in Bosnia, Foreign Minister Don McKinnon said in a statement Tuesday. Fighting around Sarajevo has intensified in

recent weeks, further endangering peace prospects. McKinnon said negotiations in Geneva could not be jeopardised as they had made substantial progress with an agreement on the constitutional basis for a union of republics of Bosnia-Herzegovina.

"Air strikes might be the only thing that will bring the people responsible for the present carnage in the safe areas and the attacks on the UN peacekeeping forces to their senses," McKinnon said. New Zealand had been consulted, as a Security Council member, about the need to use air strikes.

There is no point in declaring areas safe unless the UN can provide some real protection for them, McKinnon said, adding that this included taking the necessary steps to ensure humanitarian relief gets through. New Zealand has for some time made known its view that the use of air power for such a specific, limited purpose is justifiable. In the face of the continuing fighting, the use of air strikes may have become "inevitable," McKinnon said.

## Vanuatu

### **Malaysian Firms To Expand Logging Operations**

*BK0308081293 Melbourne Radio Australia in English  
0500 GMT 3 Aug 93*

[Text] Malaysian logging companies are expected to expand their operations to Vanuatu. South Pacific correspondent Jemima Garrett says companies controlled by Malaysian entrepreneur (Ting Chek Seng) planned an expansion in logging Vanuatu's forest, a move which many environmentalists say is unsustainable.

[Begin Garrett recording] Malaysian companies shut out in their own country by tough new regulations on the export of tropical logs are turning to the South Pacific. By the end of this week, Mr. (Ting's) company, Delta Development and Premier Corporation, will have landed 32 bulldozers and a host of other equipment. Environmentalists say that will give Delta Premier the capacity to take up to 150,000 cubic meters of timber each year. A study by the Vanuatu Government and Australia's overseas aid agency, AIDAB [Australian International Development Assistance Bureau], recommended just 25,000 cubic meters as a sustainable yield. [end recording]



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**Takemura:** Such a view exists within the seven political parties, but no discussions have been held between the parties. No decision has been made with respect to the nomination of a prime minister. It is our principle not to name a politician who wants to become prime minister, but rather to name a politician whom others want to become prime minister.

**[Correspondent]** If voices are heard in the opposition alliance saying that you should become prime minister, will you accept the nomination?

**Takemura:** Such a thing is impossible. I need not think about it.

**[Correspondent]** How about Mr. Hosokawa, representative of the Japan New Party?

**Takemura:** I believe that Mr. Hosokawa will not be named the candidate for prime minister. I think that he shares my view.

**[Correspondent]** How about Mr. Hata, chairman of Shinseito [Japan Renewal Party]?

**Takemura:** At the moment, I cannot say anything about the nomination for prime minister. I hope that all the parties involved will decide on that matter after holding full discussions.

**[Correspondent]** Will the speaker of the House of Representatives come from the coalition government?

**Takemura:** Some take the view that the speaker should come from a majority party in the opposition alliance. It would be good if a final decision is made with regard to the nomination of the speaker with the future management of the Diet being taken into account. It is desirable to choose a person who runs the Diet in a fair manner that transcends his party affiliation.

**[Correspondent]** Do you think that if bills related to political reforms are put into force after being enacted in the Diet, the House of Representatives should be dissolved immediately?

**Takemura:** The major task to be accomplished within this is to deliver the political reforms. The adoption of any new system should not be allowed to lead to an immediate dissolution of the House of Representatives. I wonder whether a series of future tasks would make it possible to dissolve the lower house. It is necessary to make a judgment on the dissolution of the lower house taking into account the situation at home and abroad. If the new government remains stable and the people support the new government, there is a possibility that the new government will last for nearly four years.

**[Correspondent]** If the current electoral system is reformed, will that inspire political parties to move toward rebuilding the current political party structure?

**Takemura:** Two political forces rather than two political parties would emerge if the current electoral system is

reformed. If the current electoral system is changed, each political force would field its unified candidate in the small constituency.

**[Correspondent]** How about the possibility of your party and Shinseito merging into a new party?

**Takemura:** Now the different structure of political parties is being questioned, and the political parties are about to change their respective structures. I believe that it will be possible to merge the two parties into a new party in the future.

### **JNP, Shinto Sakigake To Form New Party in Fall**

*OW0108061693 Tokyo YOMIURI SHIMBUN in Japanese 31 Jul 93 Morning Edition p 2—FOR OFFICIAL USE ONLY*

**[Text]** The Japan New Party [JNP] and Shinto Sakigake [Harbinger Party] decided on 30 July to form a new party as early as this fall. Holding a meeting on 30 July, both party representatives, Morihiro Hosokawa of the JNP and Masayoshi Takemura of Shinto Sakigake, agreed to further strengthen cooperative relations. Following the meeting, Representative Takemura announced the decision at a general session of his party's Diet members, which approved the move. Along with the launch of a consultative body for both parties, they also plan to move in mid-August from the office they currently operate to a new unified party headquarters near the Diet building.

On 30 July, a JNP leader told a Sakigake official: "We would like to have frequent meetings of members of both parties." As a result, informal consultations among members of both parties are scheduled for 2 August.

### **Editorial Views Coalition Government**

*OW0208132193 Tokyo MAINICHI SHIMBUN in Japanese 30 Jul 93 Morning Edition p 5—FOR OFFICIAL USE ONLY*

**[Editorial: "There Is No Way but To Think While Running"]**

**[Text]** Now that a document on policy agreement was signed by the leaders of seven political parties, with the exception of the ruling Liberal Democratic Party [LDP], at their summit meeting on the evening of 29 July, the inauguration of a non-LDP coalition government at a special Diet session to be called in early August has become certain.

The coalition government will be inaugurated in Japan for the first time in 40 years since the Ashida coalition government was inaugurated. The inauguration of the non-LDP coalition government will mark an end to the one-party rule by the LDP that has continued for 38 years.

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The people expressed their desire for a change of government during the latest general election. In a bid to respond to their desires, the seven political parties have managed to reach an accord on the formation of a coalition by overcoming numerous obstacles and transcending their respective interests. We would like to pay our respect to the seven political parties.

At the summit meeting, the leaders of the seven political parties finally decided to back Morihiro Hosokawa, representative of the Japan New Party, as their unified candidate for prime minister.

Mr. Hosokawa will become the next Japanese prime minister. We hope that he will take the lead in bringing a generational shift to Japanese politics and display his youthfulness and freshness as a 55-year-old politician.

While serving as governor of Kumamoto Prefecture, Mr. Hosokawa played a role of harbinger in opening the "time of locality" by displaying his administrative ability and farsightedness. Mr. Hosokawa also displayed his ability to decide and to implement with a shrewd sense of the times when he formed the Japan New Party, which has since called for a change in the present state of Japanese politics and inspired other political parties to move toward rebuilding the current political party structure. We hope that Mr. Hosokawa will fully play the same role and fully display the same ability as a top leader in Japanese politics.

On the eve of the inauguration of the coalition government, we want to discuss anew whether basic issues, which we have pointed out, have been fully identified and resolved.

Although we applaud efforts by the seven political parties to coordinate their views on the formation of the coalition government, we have pointed out that: 1) an unequivocal agreement between the seven political parties on the substance of political reforms; 2) a complete consensus between the seven political parties on basic national policies, and 3) a clear settlement with Ichiro Ozawa, secretary general of Shinseito [Japan Renewal Party], who played a key role in the LDP's money politics and Shinseito's structure, should be a major prerequisite for the "coalition government."

As for item 1, an attempt by political parties to change the current electoral system through the adoption of a combination electoral system of small constituencies and proportional representation is expected to settle it. Items 2 and 3, however, remain unsettled.

While there is a problem with basic policies of the Social Democratic Party of Japan [SDPJ] in forming the coalition government, there is a problem with Mr. Ozawa's involvement in the LDP's money politics. These became a major hurdle to coordinating views between the seven political parties on the formation of the coalition government. Because neither party holds a majority needed to form its own government, however, leaders of the

seven political parties shut their eyes to issues that might hinder forging a "coalition" between them.

As the justification for their coalition, the seven political parties have asserted that the "people wanted the political reforms delivered and thus opted for a change of government during the latest general election." Their assertion is absurd.

During the latest general election, the people undoubtedly expressed their hopes to see the political reforms delivered and the current LDP government changed, but they did not say that "a new government must be formed no matter what it may be."

A government that is formed on the basis of a jump of logic will expose its contradiction and collapse.

If the coalition government tasked with delivering the political reforms as its most important duty shuts its eyes to political corruption, this would be self-contradictory.

The SDPJ differs largely from other political parties on the basic policies of defense, the Constitution, Japan's participation in the UN peacekeeping operations (PKO), and other policies. How will the seven parties coordinate these policies in the future?

A coalition government formed by the SDPJ, the Democratic Party, and the National Cooperation Party in 1947 collapsed after its nine months of existence because of its policy confrontation with the SDPJ. The SDPJ has since remained out of power.

We have asked the SDPJ to keep that bitter experience in mind and to avoid repeating the same failure.

It is good for the coalition government to place top priority on delivering the political reforms, but it should start compiling next year's budget immediately after it is inaugurated. The compilation of the budget will involve all policies that remain unsettled between the coalition participating parties, but the policies will be settled between them sometime in the future.

For the seven political parties that will inaugurate the coalition government, there is no way but to "think of how to resolve shelved issues while running."

#### **SDPJ Leftists Attack Yamahana**

*OW0108182993 Tokyo NIHON KEIZAI SHIMBUN in Japanese 31 Jul 93 Morning Edition p 2—FOR OFFICIAL USE ONLY*

[Text] Seven political parties, with the exception of the ruling Liberal Democratic Party [LDP] and the Japan Communist Party, are now engaging in a full coordination of views on the makeup of a cabinet in a bid to form a non-LDP coalition government. At a meeting attended by lawmakers of the main opposition Social Democratic Party of Japan [SDPJ] on 30 July, leftist lawmakers, including former Chairwoman Doi, voiced their irritation over and criticism of the Yamahana leadership for



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pursuing a policy of forming a non-LDP coalition government [with other conservative political parties]. Morihiro Hosokawa, representative of the Japan New Party, has been named to be the "next prime minister" and their moves for a comeback in the SDPJ, after the non-LDP coalition government to be led by Mr. Hosokawa is set to be inaugurated, are believed to aim to alter the policy of forming the non-LDP coalition government to be led by the Japan New Party by shaking the Yamahana leadership and to reflect their assertions in the policies of the non-LDP coalition government. Ms. Doi has yet to decide whether to accept an offer from the Yamahana leadership to assume the speakership of the House of Representatives.

During the meeting, Ms. Doi pointed out: "I do not know how our party will take the initiative in the coalition government. Our party has been drawn into a big quagmire." She went on to say: "We have to keep in mind what our SDPJ has aimed at in the past 50 years since the end of World War II. I am concerned that if our SDPJ is left as it is, it would be swallowed up by two conservative parties and it would lose the reason for its existence. I hope that the Yamahana leadership will indicate that the SDPJ will not be swallowed up by the two conservative parties and will open prospects for the SDPJ."

At the meeting, Sukio Iwatare, a leftist lawmaker close to Ms. Doi, said that "if a combination electoral system of small-constituency and proportional representation is adopted, it would open the way for the system of two conservative parties in Japan." He also expressed his intention to vote against Mr. Hosokawa at a special Diet session which is to be called to elect the next prime minister, saying that "I will write Sadao Yamahana (chairman of the SDPJ) in my vote at the session."

During the meeting, former lawmaker Tetsu Ueda and lawmaker Tadatoshi Akiba attacked the "Yamahana leadership's decision to join the coalition government as arbitrary" and submitted to Mr. Yamahana a document calling on the party leadership to clarify the reason for altering the party policy on the combination electoral system.

The party leadership's policy to form a coalition government with conservative parties was endorsed at the meeting and Mr. Hosokawa was greeted with applause when he visited the meeting to speak. In this way, participants as a whole accepted the party leadership's policy to form the coalition government. However, leftists in the SDPJ appeared to have intended to force the Yamahana leadership to resign, citing a crushing defeat for the SDPJ in the latest general elections and to form a pro-leftist leadership in the SDPJ. Ms. Doi has refused to say whether or not she will accept the offer from the Yamahana leadership to assume the speakership. Explaining why she has refused to do so, a rightist lawmaker in the SDPJ points out that a number of leftist lawmakers in the SDPJ are searching for ways to put Ms. Doi back as chairwoman.

**Rengo Chief on Group's Role, Coalition Regime**

OW0208140893 Tokyo YOMIURI SHIMBUN in Japanese 29 Jul 93 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Interview with Akira Yamagishi, chairman of the Japan Trade Union Confederation, by unidentified correspondent; date, place not given]

[Text] [YOMIURI SHIMBUN] What do you think is the bottleneck affecting a coalition government, which will be formed by the alliance against the Liberal Democratic Party [LDP]?

Yamagishi: It would be lie if I said that there was no bottleneck. However, the biggest issue is how they will promote political reform. To make a long story short, they need to unify their opinions on political reform. They will also face important and urgent tasks of forming policies that are directly linked to the daily lives of the people. I think that they need to make certain agreements between themselves regarding policy matters.

[YOMIURI SHIMBUN] What about the issues of tax cuts and a consumption tax?

Yamagishi: I think that there will be no confusion as long as they make efforts on the basis of common sense. On the basis of an awareness of the common people, the Japan Trade Union Confederation [Rengo] is preparing various demands regarding policies. Therefore, I think that Rengo can play a role of intermediary in the policy field.

[YOMIURI SHIMBUN] In his book called "The Plan for the Reconstruction of Japan," Ichiro Ozawa calls for an increase in the consumption tax to 10 percent. Can you comment on this?

Yamagishi: He is indeed saying that. He is also calling for a 50-percent cut in the income tax and the local resident's tax. We have to talk about these things, too.

[YOMIURI SHIMBUN] How long do you think the emergency government will stay in power?

Yamagishi: It will be dissolved to make an appeal to the confidence of the people after submitting reform bills to the Diet and approving a budget for fiscal year 1994. Therefore, it is fair to say that the emergency government's main mission is to realize political reform in about a year.

[YOMIURI SHIMBUN] Can you comment on the responsibilities of Mr. Ozawa and other people?

Yamagishi: Some people are saying that "Ozawa should leave the party" and that "the Social Democratic Party of Japan [SDPJ] should expel its leftists." But I am of the opinion that outsiders should not strongly demand such things. I think that senior officials of the parties that will join the coalition government and new cabinet members

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should declare that they obeyed the regulations on political ethics and will abide by laws which will be enacted in the future for the prevention of corruption. They should resign from their Diet seats if they violate this declaration.

[YOMIURI SHIMBUN] What are the relationships between the seven parties of the non-LDP coalition and the Rengo?

Yamagishi: Some of the seven are "in-laws" to us and others are "blood relations." At the Rengo's central executive committee meeting set to be held on 4 and 5 August, we will have interim discussions on relations between the parties and labor unions.

[YOMIURI SHIMBUN] What about the SDPJ?

Yamagishi: The SDPJ should stretch out its wings to middle-of-the-roaders and liberals. Then, it should change its name to something like the "New Nonconservative Liberal Party." The SDPJ should also make bold changes to its fundamental policies so that they will match the common sense of society and befit the post-cold war period. Satsuki Eda, representative of the United Social Democratic Party, will be one of important leaders who will be the support and driving force of the future Japan. Also, I am placing my hope on Hokkaido Governor Takahiro Yokomichi.

#### **Cabinet Approves Foreign Ministry Restructuring**

*OW3007012393 Tokyo ASAHI SHIMBUN in Japanese 27 Jul 93 Evening Edition p 2—FOR OFFICIAL USE ONLY*

[Text] The government in a cabinet meeting on 27 July approved a proposal to revise the Foreign Ministry Structure Rule aimed at restructuring the ministry. The restructuring is intended to give the ministry improved capabilities to deal with international contingencies as well as to prepare plans on foreign policies. A "General Foreign Policy Bureau" [sogo gaiko seisaku-kyoku] will be created by the restructuring.

The General Foreign Policy Bureau will become the "No. 1 bureau" of the Foreign Ministry, and will handle all foreign policies of the ministry, cutting across functions of other bureaus. The bureau will play a central role when major contingency situations occur. The purpose is to vitalize the ministry's diplomatic functions which have been known to be passive.

The bureau will be made up of nine divisions, four of which—the General Affairs Division, the Planning Division, the Security Policy Division, and the UN Policy Division—will be placed directly under the bureau's director. The deputy vice minister for arms control and science (to be newly added) will take charge of two divisions—the Arms Control/Disarmament Division and the Science/Nuclear Power Division. The chief of the International Society Cooperation Department (also to be newly added) will be in charge of three divisions—

the UN Administration Division, the Human Rights and Refugees Division, and the Global Scale Issues Division.

Through this restructuring, the United Nations Bureau of the past will be abolished, and its operations will be absorbed into the General Foreign Policy Bureau. The former Information Analysis, Research and Planning Bureau will be renamed the International Information Bureau, and its Analysis Division will be divided up into the Analysis One Division and the Analysis Two Division, with assignments divided between the two according to region. This is intended to improve the information collection and analysis capabilities of the ministry. The Planning Division of the bureau will be moved over to the General Foreign Policy Bureau.

On the other hand, the National Security Affairs Division and the Status of U.S. Forces Agreement Division will be integrated into the Japan-U.S. Security Treaty Division, and this division will handle Japan-U.S. relations exclusively. Matters concerning international security issues will be handled by the Security Policy Division of the General Foreign Policy Bureau under the new structure. The Document and Archives Division and the Telecommunications Division currently under control of the Minister's Secretariat will be integrated into a new division called the Communications Division.

#### **Record Data Processing Speed Achieved**

*OW0108184693 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Jul 93 Evening Edition p 2—FOR OFFICIAL USE ONLY*

[Text] Electrotechnical Laboratory [ETL] and Kyocera Corporation confirmed on 26 July that data processing operations at speeds up to 1.2 billion times per second can be achieved by combining four ultra high-speed Josephson device LSI's (large-scale integrated circuits). ETL is a research institution for the Agency of Industrial Science and Technology [AIST], which is under the Ministry of International Trade and Industry [MITI].

The achieved processing speed is a world record and is 10 times that of the fastest silicon devices currently in existence. By using a superconducting material to wire LSI's together, scientists were able to overcome the "wiring limitation" which stood as a barrier to the successful fabrication of Josephson instruments. Results of the research project opens the door to practical use of such devices as Josephson computers.

This technological development project was conducted under MITI's joint government-private sector research program. Results of the project will be announced at an academic meeting at the "1992 International Superconductor and Electronics Exposition" set to begin in Boulder City, Colorado, the United States, on 11 August.

The Josephson junction device is an ultra high-speed, low energy-consuming electronic switching device that uses superconducting effects. By using these, it is theoretically possible to fabricate a fast computer with a



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processing speed 20 to several hundred times that of computers using silicon devices. However, there have been problems developing efficient wiring to link LSI chips integrating Josephson devices.

ETL and Kyocera improved wiring efficiency by using niobium, itself a superconducting material, in wiring together the Josephson LSI's. In addition, to reduce the total length of the required wiring itself, they developed technology to stack ceramic boards on top of each other. LSI's are installed on these boards.

Successful operations were confirmed during experiments with a prototype system equipped with four Josephson LSI chips. The system worked even when the clock frequency—the basic unit for measuring data processing speed—was increased to 1.2 gigahertz (switching 1.2 billion times per second). The system was run at -269 degrees centigrade, the temperature at which helium turns into a liquid. The Josephson devices remained intact even when they were subject to temperature changes between this temperature and room temperature.

The AIST believes the greatest technical problem in making Josephson devices practical has been solved through the latest research efforts. The agency also expects practical Johnson computers and digital switching devices can be developed by combining the already-developed Josephson logic circuit chips and Josephson memory chips.

#### Test on Fast Breeder Reactor Delayed to Apr 1994

OW3107053093 Tokyo NIHON KEIZAI SHIMBUN in Japanese 31 Jul 93 Morning Edition—FOR OFFICIAL USE ONLY

[Received via Nikkei Telecom Database]

[Text] The Power Reactor and Nuclear Fuel Development Corporation [PRNFDC] announced on 30 July that it is putting off its first critical moment test on the high speed breeder reactor "Monju" until April next year, six months later than originally scheduled in October. PRNFDC had been considering rescheduling the test after trouble developed at the fuel production plant on 7 June.

According to PRNFDC, the continuous-type fuel sintering furnace that developed trouble is expected to be repaired by November and, in addition, a backup batch-type sintering furnace will be operational by October. That being the case, the corporation can now predict when fuel production will start. Fuel loading on "Monju" will start in October, and reactor performance tests can be completed by December 1995.

#### Disclosure Rules for Bank Nonperforming Assets

932A0218A Tokyo KINYU ZAISEI JIJO in Japanese 12 Apr 93 pp 38-41—FOR OFFICIAL USE ONLY

[Article by Toshinori Sugimoto, deputy director of the Research Department of the Federation of Bankers Association of Japan]

[Excerpt] At a 29 March committee meeting concerned with social responsibility, the Federation of Bankers Association of Japan decided on a partial revision of its uniform disclosure standards within its disclosure system, adding new disclosure provisions for uncollectible and nonperforming loans. Also, prior to this the special committee on accounting made a determination regarding disclosure of uncollectible and nonperforming loans in its financial statements. These decisions have their origins in the interim report issued 2 December 1993 [date as published], entitled "On Information Disclosure Regarding the Soundness of Financial Institution Assets" and prepared by the Working Group on Financial Institution Disclosures under the Financial System Research Council. [passage omitted]

#### Specific Disclosure Methods

The specific disclosure methods decided on are as follows.

##### A. Loans Subject to Disclosure

Loans to borrowers that have gone bankrupt—that is, loans with a high probability that recovery of principal is impossible—will be disclosed as "uncollectible" loans. Also, those loans with a high probability of being converted in the future to debt to be written off will be disclosed as "nonperforming loans."

Regarding the specific scope of loans to be disclosed, the provisions of a separate notice on corporate tax entitled, "Regarding Treatment of Accrued Interest by Financial Institutions," determine as the base those loans for which it is acceptable that accrued interest not be listed as earnings. The same notice specifies that institutions can elect not to add accrued interest to earnings of loans where accrued interest is more than six months overdue.

Regarding "uncollectible loans," the interim report says that, "It is appropriate to include in the total those loans involving debtors who have initiated legal reorganization procedures based on the Corporation Reorganization Law, the liquidation process based on the Commercial Law Act, and other similar procedures" and to treat them as loans for the debtor falling under the purview of the following categories of loans where it is acceptable that accrued interest not be listed as earnings.

1. Debtors who have submitted petitions to initiate reorganization procedures in accordance with the provisions of the Corporation Reorganization Law.
2. Debtors who have submitted bankruptcy petitions in accordance with the provisions of the Bankruptcy Law.



3. Debtors who have submitted petitions to initiate composition in accordance with the provisions of the Composition Law.

4. Debtors who have submitted petitions to initiate liquidation or special liquidation in accordance with the provisions of the Commercial Law.

5. Debtors who have been sanctioned by clearinghouses to cease making transactions.

6. Debtors who have submitted petitions to initiate legal liquidation based on the laws of foreign countries.

Next, "nonperforming loans" are defined as loans with accrued interest that does not have to be listed as earnings, excluding "uncollectible loans" and loans for which the interest payment has been suspended and therefore the accrued interest cannot be listed as earnings. Loans whose interest payments have been suspended are excluded based on the reason discussed in the interim report. Not subject to disclosure are loans whose interest payments have been reduced or exempted, for which disclosure was not requested in the interim report, since the problem of accrued interest not listed as earnings does not arise if interest is paid following reduction and exemption of interest. However, should the interest on loans with reduced and exempted interest not paid, those cases of accrued interest where accrued interest is not to be earmarked as earnings will be included as loans subject to disclosure as "nonperforming loans."

#### B. Disclosing Financial Institutions

It has been decided that all banks disclose "uncollectible loans." It has been decided that city banks, long-term credit banks, and trust banks disclose "nonperforming loans." However, regional financial institutions, which were not required to disclose in the interim report, such as the Tier I and Tier II regional banks are not required to disclose nonperforming for the time being.

#### C. Disclosure Methods

##### 1. Financial Statements

It was decided that disclosure will be made in the financial statements, setting forth the details as follows in a notes section or as a debit/credit table using the "fifth accounting circumstances." Furthermore, although not specifically mentioned in the interim report, it was decided that this would be done in this year's midyear report for the midyear accounting period (September).

(Entry example)

8. Of our loans, in accordance with the accounting standards for the liquidation of accounts in the banking industry, we have so many total million yen of uncollectible loans and so many total million yen of nonperforming loans whose accrued interest is not being earmarked as earnings.

It was decided that, for the average company, reporting the "accounting circumstances" will be done as a debit/credit table arraying "uncollectible loans, nonperforming loans," etc. Also, since the "accounting circumstances" are subject to investigation, they will be examined by an external auditing firm (certified public accountants).

##### 2. Disclosure Documents

"Uncollectible loans" and "nonperforming loans" were added to the category of "working capital" as independent categories of the uniform disclosure standards. Disclosures would be for more than two periods (however, for fiscal 1992 disclosure for that one period only will be acceptable). Still, since a debit/credit table will be displayed in the disclosure documents, it will not be included as an independent category. Disclosure in the same format as for the negotiable securities report described above in section 1 will be acceptable.

#### D. Disclosure Timing

Disclosure will begin after fiscal 1992 (the March 1993 reporting period).

Although the above is the contents of the decision for uniform disclosure standards by the Federation of Bankers Association of Japan, in addition, "approach to loan management" was added as a new disclosure category. This introduces the turnover posture for investments in customers who have sound capital requirements, in particular small and medium sized businesses. Furthermore, along with the disclosure of "uncollectible loans," etc., the three categories of 1) "business earnings," 2) "information on the market value of negotiable securities," and 3) "reserves for uncollectable debt items," which were heretofore voluntary disclosure categories, were changed to mandatory reporting categories. This is because disclosure is necessary as a means for demonstrating a bank's ability to carry the write off of bad loans and indicates: 1) a bank's earnings ability, 2) latent profits on negotiable securities, and 3) a bank's reserves available to amortize debt.

### Mongolia

#### MONTSAME Reviews Ulaanbaatar Media for 30 Jul

OW3107000493 Ulaanbaatar MONTSAME in English  
1542 GMT 30 Jul 93—FOR OFFICIAL USE ONLY

["Mongolian Press Review"—MONTSAME headline]

[Text] Ulaanbaatar, July 30 (OANA-MONTSAME)—The newspaper ARDYN ERH informs about the ceremony of swearing an oath by the judges of the Supreme Court. At the ceremony present were the President P. Ochirbat, the Prime Minister P. Jasray, the General Procurator N. Ganbayar, some members of the parliament. The judges swore to solve any cases and arguments only in accordance with the constitution and other



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### ANNEX

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laws, strictly observe the legal norms. Speaking at the ceremony the President P. Ochirbat pointed out to the forming of the legal basis for regulation of market economy, the new political system, rights and freedoms of a person, and stressed the role of court in strengthening law and equality of citizens before law. In his speech the president pointed out to the importance of strengthening public order and discipline, role of legal protecting organs.

The newspaper carries a speech by the Prime Minister P. Jasray over the Mongolian radio and television devoted to urgent tasks of the country. The prime minister noted the shifting to free exchange rate of currency and measures being taken by the government for lightening aftereffects of this measure, which can negatively affect living standards of the population, especially poor people. The prime minister drew attention of citizens to the necessity of solution of urgent tasks, including successful fulfilment of urgent agricultural works.

The newspaper informs about the 12th Asian regional conference of the international criminal police organization Interpol, which is continuing its work in the Mongolian capital. The Interpol General Secretary R. Kendall, the Vice President of the Executive Committee of this organization A. Kawada are participating in it. As R. Kendall announced at the conference, the issues of struggle with organized crimes connected with transportation and use of narcotics, other issues will be discussed.

The newspaper carries information about payment for training at higher educational establishments and public utilities.

The newspaper of the Mongolian capital ULAAN-BAATAR writes about social problems of Ulaanbaatarites. In an interview with the newspaper correspondent the representative of the economic and social policy department of the office of the city mayor T. Erdenebileg notes that there are about 4,000 poor families (about 20 thousand people are members of these families).

He stresses that in connection with abolition of the rationing system poor citizens will be given a compensation for defrayment of a difference in prices on the part of district organs of social maintenance, those living in gher (yourta) [as received] will be given an assistance in laying in firewood and coal, credit on favourable terms for developing small business. At the same time the number of profiteers is increasing. They are making use of commodity deficiency, writes journalist L. Munhtur.

The newspaper writes about spreading prostitution among women in the capital.

### Thailand

#### Premier Interviewed on Current Issues

BK2907111793 Hong Kong FAR EASTERN  
ECONOMIC REVIEW in English 5 Aug 93 pp  
19-20—FOR OFFICIAL USE ONLY

["Excerpts" of an interview with Prime Minister Chuan Likphai by correspondents Rodney Tasker and Paul Handley; date, place not given]

#### [Text] His political programme.

Having been in office for 10 months, I should say the first thing this government had to do was to return the country to a political system where democracy and a parliamentary system get off the ground again. We have passed the point where that has been achieved. The next thing is obviously to work within that framework and to ensure there is continuity on that front, though of course there are going to be problems with a coalition government.

Whatever this government does, we will continue to tackle problems sticking to our principles concerning not only democracy, but also upholding the law and what is right. We will not allow personal vested interests to prevail over the general public interest and let minor problems get in the way of our main tasks or our major policies.

#### Thai military leadership and the civilian government.

I have said several times before that this government treats the military as one of the mechanisms of government and treats it just like any other government agency. We have no intention to use the military as a political tool or base of support, and we will not create conditions whereby dissatisfaction would be created and provide excuses for political intervention, especially on the corruption problem.

That is the main principle. I have also been fortunate enough that the current military leaders have been democratic in their outlook, and I believe that in the future this will continue, because this is not a question of personal ties but principles which seem to have been accepted by the (military) leadership.

#### Law enforcement and the rule of law.

Economic inequalities create privileged classes and lead to other inequalities. Although I see many strengths in Thai society there is also a weakness, which is that we have not been strict in our enforcement of the law, despite the fact that we have many (laws), many of them modern.

The lack of strict enforcement has led to widespread violations, and therefore there is a lack of law and order, which means that ordinary people are often discriminated against. There have been few people who have

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come to protect their interests. While I cannot create absolute economic equality, what I can guarantee is equality before the law.

**Police inefficiency and corruption.**

At the moment we are trying to get rid of officers who may have problems, in particular the transfers of police who in the past may have been involved in buying positions, going right up to the level of the minister. That is no longer the case. There is to a certain extent some deficiency in human resources in our police force. But the problem is also the system... that is why we propose to reform the system.

**The controversial 'constructive engagement' policy towards the Burmese junta.**

I can confirm that we are continuing with this constructive engagement policy... I detect changes in the stance and attitudes of the (Burmese) Government. There seems to be more openness and more willingness to acknowledge what is going on in the outside world, as well as more willingness to allow more people to go in there to see what's happening.

I have also emphasised to our Asean friends that it is important for Burma to be able to participate in what is going on in the outside world, which is why I support the idea that Burma should become observers at the meeting of Asean ministers and other higher level meetings. I think changes have taken place—not as quick as we would like to see them. But this approach is more fruitful than one of alienation or isolation.

**Friction with the U.S. on copyrights.**

We have had good relations with the U.S. all along, though I realise that the issue of intellectual property has been going on for some years because Thailand has had a trade surplus with the U.S. for almost 10 years now ... however, I feel that better understanding has been

reached on this issue, particularly on the question of the fight against (copyright) piracy.

This government has no vested interest in the piracy business ... We have said that we are willing to change our laws to make them conform to international standards ... This government has been more effective in enforcing the copyright law against violators than previous governments. I think the U.S. will be satisfied with this state of affairs.

**ASEAN and Indochina.**

I have the view that all members of Asean are equal. But for geographical reasons, Thailand's a natural centre for Indochina, but that has nothing to do with ASEAN.

**Thailand's global image, battered by recent adverse reports in the international media, particularly on widespread prostitution.**

I think the image problem stems from a misunderstanding or misquotes of numbers and facts in some countries. I'm not going to talk about the prostitution problem in the UN (during my September visit), or that there are more prostitutes in New York than in Bangkok.

We have been seriously affected by the events of May last year (when troops opened fire on pro-democracy demonstrators in Bangkok)—the negative impact is recognised. And therefore in my address to the UN I would like the international community to be aware of the changes that have taken place since in Thailand, in the return to democracy.

**The most difficult challenge of the past year.**

What has concerned me most is the plight of the farmers (because of low commodity prices). I think we are able to overcome these challenges because we stick to our principles, and are not easily swayed by whatever seems to be the tide of opinion at the time, including protests and so on. I have no intention of solving any particular problem in order to create two or three new ones.



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